

SUBCOMMITTEE ON TRADE  
OF THE  
COMMITTEE ON WAYS AND MEANS  
U.S. HOUSE OF REPRESENTATIVES

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Background Material on the  
GENERALIZED SYSTEM OF PREFERENCES (GSP)



JANUARY 19, 1976

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## LETTER OF TRANSMITTAL

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COMMITTEE ON WAYS AND MEANS,  
U.S. HOUSE OF REPRESENTATIVES,  
*Washington, D.C., January 19, 1976.*

HON. AL ULLMAN,  
*Chairman, Committee on Ways and Means.*

DEAR CHAIRMAN: Transmitted herewith is a compilation prepared by the staff of the Subcommittee on Trade of the official documents pertaining to the Generalized System of Preferences (GSP) as implemented by the United States on January 1, 1976, under the authority of Title V of the Trade Act of 1974. The purpose of this reference document is to provide the basic background materials to the Committee on Ways and Means and other Members of Congress to aid in the oversight and review of this new and important trade program.

Sincerely,

WILLIAM J. GREEN,  
*Chairman, Subcommittee on Trade.*

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# TRADE ACT OF 1974

## TITLE V—GENERALIZED SYSTEM OF PREFERENCES

### SEC. 501. AUTHORITY TO EXTEND PREFERENCES.

19 USC 2461.

The President may provide duty-free treatment for any eligible article from any beneficiary developing country in accordance with the provisions of this title. In taking any such action, the President shall have due regard for—

(1) the effect such action will have on furthering the economic development of developing countries;

(2) the extent to which other major developed countries are undertaking a comparable effort to assist developing countries by granting generalized preferences with respect to imports of products of such countries; and

(3) the anticipated impact of such action on United States producers of like or directly competitive products.

### SEC. 502. BENEFICIARY DEVELOPING COUNTRY.

19 USC 2462.

(a) (1) For purposes of this title, the term "beneficiary developing country" means any country with respect to which there is in effect an Executive order by the President of the United States designating such country as a beneficiary developing country for purposes of this title. Before the President designates any country as a beneficiary developing country for purposes of this title, he shall notify the House of Representatives and the Senate of his intention to make such designation, together with the considerations entering into such decision.

"Beneficiary developing country."

(2) If the President has designated any country as a beneficiary developing country for purposes of this title, he shall not terminate such designation (either by issuing an Executive order for that purpose or by issuing an Executive order which has the effect of terminating such designation) unless, at least 60 days before such termination, he has notified the House of Representatives and the Senate and has notified such country of his intention to terminate such designation, together with the considerations entering into such decision.

(3) For purposes of this title, the term "country" means any foreign country, any overseas dependent territory or possession of a foreign country, or the Trust Territory of the Pacific Islands. In the case of an association of countries which is a free trade area or customs union, the President may by Executive order provide that all members of such association other than members which are barred from designation under subsection (b) shall be treated as one country for purposes of this title.

"Country."

Designation  
restriction.

(b) No designation shall be made under this section with respect to any of the following:

Australia	Japan
Austria	Monaco
Canada	New Zealand
Czechoslovakia	Norway
European Economic Com- munity member states	Poland
Finland	Republic of South Africa
Germany (East)	Sweden
Hungary	Switzerland
Iceland	Union of Soviet Socialist Republics

In addition, the President shall not designate any country a beneficiary developing country under this section—

(1) if such country is a Communist country, unless (A) the products of such country receive nondiscriminatory treatment, (B) such country is a contracting party to the General Agreement on Tariffs and Trade and a member of the International Monetary Fund, and (C) such country is not dominated or controlled by international communism;

(2) if such country is a member of the Organization of Petroleum Exporting Countries, or a party to any other arrangement of foreign countries, and such country participates in any action pursuant to such arrangement the effect of which is to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level and to cause serious disruption of the world economy; withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level which causes serious disruption of the world economy;

(3) if such country affords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce, unless the President has received assurances satisfactory to him that such preferential treatment will be eliminated before January 1, 1976, or that action will be taken before January 1, 1976, to assure that there will be no such significant adverse effect, and he reports those assurances to the Congress;

(4) if such country—

(A) has nationalized, expropriated, or otherwise seized ownership or control of property owned by a United States citizen or by a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens,

(B) has taken steps to repudiate or nullify an existing contract or agreement with a United States citizen or a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned, or

(C) has imposed or enforced taxes or other exactions, restrictive maintenance or operational conditions, or other measures with respect to property so owned, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of such property,

unless—

(D) the President determines that—

(i) prompt, adequate, and effective compensation has been or is being made to such citizen, corporation, partnership, or association,

(ii) good faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association, or

(iii) a dispute involving such citizen, corporation, partnership, or association over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum, and

promptly furnishes a copy of such determination to the Senate and House of Representatives;

(5) if such country does not take adequate steps to cooperate with the United States to prevent narcotic drugs and other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812)) produced, processed, or transported in such country from entering the United States unlawfully; and

(6) if such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or association which is 50 percent or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute.

Paragraphs (4), (5), and (6) shall not prevent the designation of any country as a beneficiary developing country under this section if the President determines that such designation will be in the national economic interest of the United States and reports such determination to the Congress with his reasons therefor.

(c) In determining whether to designate any country a beneficiary developing country under this section, the President shall take into account—

(1) an expression by such country of its desire to be so designated;

(2) the level of economic development of such country, including its per capita gross national product, the living standards of its inhabitants, and any other economic factors which he deems appropriate;

(3) whether or not the other major developed countries are extending generalized preferential tariff treatment to such country; and

(4) the extent to which such country has assured the United States it will provide equitable and reasonable access to the markets and basic commodity resources of such country.

(d) General headnote 3(a) to the Tariff Schedules of the United States (19 U.S.C. 1202) (relating to products of insular possessions) is amended by adding at the end thereof the following new paragraph:

“(iii) Subject to the limitations imposed under sections 503(b) and 504(c) of the Trade Act of 1974, articles designated eligible articles under section 503 of such Act which are imported from an insular possession of the United States shall receive duty treat-



	ment no less favorable than the treatment afforded such articles imported from a beneficiary developing country under title V of such Act."
Exemptions. 19 USC 2462.	(e) The President may exempt from the application of paragraph (2) of subsection (b) any country during the period during which such country (A) is a party to a bilateral or multilateral trade agreement to which the United States is also a party if such agreement fulfills the negotiating objectives set forth in section 108 of assuring the United States fair and equitable access at reasonable prices to supplies of articles of commerce important to the economic requirements of the United States and (B) is not in violation of such agreement by action denying the United States such fair and equitable access.
19 USC 2463.	<b>SEC. 503. ELIGIBLE ARTICLES.</b> (a) The President shall, from time to time, publish and furnish the International Trade Commission with lists of articles which may be considered for designation as eligible articles for purposes of this title. Before any such list is furnished to the Commission, there shall be in effect an Executive order under section 502 designating beneficiary developing countries. The provisions of sections 131, 132, 133, and 134 of this Act shall be complied with as though action under section 501 were action under section 101 of this Act to carry out a trade agreement entered into under section 101. After receiving the advice of the Commission with respect to the listed articles, the President shall designate those articles he considers appropriate to be eligible articles for purposes of this title by Executive order. (b) The duty-free treatment provided under section 501 with respect to any eligible article shall apply only— (1) to an article which is imported directly from a beneficiary developing country into the customs territory of the United States; and (2) (A) if the sum of (i) the cost or value of the materials produced in the beneficiary developing country plus (ii) the direct costs of processing operations performed in such beneficiary developing country is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States; or (B) if the sum of (i) the cost or value of the materials produced in 2 or more countries which are members of the same association of countries which is treated as one country under section 502(a)(3), plus (ii) the direct costs of processing operations performed in such countries is not less than 50 percent of the appraised value of such article at the time of its entry into the customs territory of the United States.
Ante, p. 1994, 1995. Ante, p. 1982.	
"Country."	For purposes of paragraph (2)(A), the term "country" does not include an association of countries which is treated as one country under section 502(a)(3) but does include a country which is a member of any such association. The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection.
Regulations.	
Import-sensitive articles.	(c) (i) The President may not designate any article as an eligible article under subsection (a) if such article is within one of the following categories of import-sensitive articles— (A) textile and apparel articles which are subject to textile agreements, (B) watches, (C) import-sensitive electronic articles, (D) import-sensitive steel articles,

(E) footwear articles specified in items 700.05 through 700.27, 700.29 through 700.53, 700.55.23 through 700.55.75, and 700.60 through 700.80 of the Tariff Schedules of the United States,

19 USC 1202.

(F) import-sensitive semimanufactured and manufactured glass products, and

(G) any other articles which the President determines to be import-sensitive in the context of the Generalized System of Preferences.

(2) No article shall be an eligible article for purposes of this title for any period during which such article is the subject of any action proclaimed pursuant to section 203 of this Act or section 232 or 351 of the Trade Expansion Act of 1962.

Ante, p. 2015.

19 USC 1862,

1981.

19 USC 2464.

#### SEC. 504. LIMITATIONS ON PREFERENTIAL TREATMENT.

(a) The President may withdraw, suspend, or limit the application of the duty-free treatment accorded under section 501 with respect to any article or with respect to any country; except that no rate of duty may be established in respect of any article pursuant to this section other than the rate which would apply but for this title. In taking any action under this subsection, the President shall consider the factors set forth in sections 501 and 502(c).

(b) The President shall, after complying with the requirements of section 502(a)(2), withdraw or suspend the designation of any country as a beneficiary developing country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary developing country under section 502(b). Such country shall cease to be a beneficiary developing country on the day on which the President issues an Executive order revoking his designation of such country under section 502.

Beneficiary  
developing  
country,  
designation  
withdrawal or  
suspension.

(c)(1) Whenever the President determines that any country—

(A) has exported (directly or indirectly) to the United States during a calendar year a quantity of an eligible article having an appraised value in excess of an amount which bears the same ratio to \$25,000,000 as the gross national product of the United States for the preceding calendar year, as determined by the Department of Commerce, bears to the gross national product of the United States for calendar year 1974, or

(B) except as provided in subsection (d), has exported (either directly or indirectly) to the United States a quantity of any eligible article equal to or exceeding 50 percent of the appraised value of the total imports of such article into the United States during any calendar year,

then, not later than 60 days after the close of such calendar year, such country shall not be treated as a beneficiary developing country with respect to such article, except that, if before such 60th day, the President determines and publishes in the Federal Register that, with respect to such country—

Publication  
in Federal  
Register.

(i) there has been an historical preferential trade relationship between the United States and such country,

(ii) there is a treaty or trade agreement in force covering economic relations between such country and the United States, and

(iii) such country does not discriminate against, or impose unjustifiable or unreasonable barriers to, United States commerce, then he may designate, or continue the designation of, such country as a beneficiary developing country with respect to such article.

(2) A country which is no longer treated as a beneficiary developing country with respect to an eligible article by reason of this subsection

88 STAT. 2071

may be redesignated, subject to the provisions of section 502, a beneficiary developing country with respect to such article if imports of such article from such country did not exceed the limitations in paragraph (1) of this subsection during the preceding calendar year:

(d) Subsection (c) (1) (B) does not apply with respect to any eligible article if a like or directly competitive article is not produced on the date of enactment of this Act in the United States.

Puerto Rico,  
imported  
coffee, duty.

(e) No action pursuant to section 501 may affect any tariff duty imposed by the Legislature of Puerto Rico pursuant to section 319 of the Tariff Act of 1930 (19 U.S.C. sec. 1319) on coffee imported into Puerto Rico.

19 USC 2465.

**SEC. 505. TIME LIMIT ON TITLE; COMPREHENSIVE REVIEW.**

(a) No duty-free treatment under this title shall remain in effect after the date which is 10 years after the date of the enactment of this Act.

Presidential  
report to  
Congress.

(b) On or before the date which is 5 years after the date of the enactment of this Act, the President shall submit to the Congress a full and complete report of the operation of this title.

[From Federal Register, vol. 40, No. 229, November 28, 1975]

Executive Order 11888

November 24, 1975

**Implementing the Generalized System of Preferences**

The Trade Act of 1974 authorizes the establishment of a Generalized System of Preferences for eligible articles imported from beneficiary developing countries.

The President has designated and may, by Executive order, designate certain countries as beneficiary developing countries, after having determined that such designations are in accordance with the provisions of the Trade Act of 1974 and after having provided the necessary information to the Congress, pursuant to Section 502 of the Trade Act of 1974. The necessary determinations have been made and the appropriate information has been furnished the Congress.

The President may, by Executive order, designate articles eligible for duty-free treatment after receiving advice from appropriate agencies, public comment, and the advice of the International Trade Commission. That advice has been received, as requested, by reference to item numbers, and statistical divisions thereof, contained in the Tariff Schedules of the United States, hereinafter sometimes referred to as TSUS.

Since not every article within the group represented by an item number of the Tariff Schedules of the United States is eligible for duty-free treatment under a Generalized System of Preferences, it is necessary to subdivide some of the existing item numbers.

In order to implement the Generalized System of Preferences and to remove expired provisions of the TSUS, relating to the Philippine Republic and the Trust Territory of the Pacific Islands, it is necessary to amend the Tariff Schedules of the United States, thus embodying the substance of relevant provisions of the Trade Act of 1974, and of actions taken thereunder, into the Tariff Schedules of the United States.

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution and statutes of the United States of America, including Title V and Section 604 of the Trade Act of 1974 (88 Stat. 2066, 19 U.S.C. 2461 *et seq.*; 88 Stat. 2073, 19 U.S.C. 2483), and as President of the United States of America, in order to designate additional beneficiary developing countries and eligible articles, and to implement a Generalized System of Preferences, it is hereby ordered as follows:

SECTION 1. The following expired headnotes and items for the products of the Philippine Republic and of the Trust Territory of the Pacific Islands are deleted from the Tariff Schedules of the United States:

**Headnotes:**

General headnote 3(c);  
Headnotes 3 and 4, part 13, schedule 1;  
Headnotes 1, 2, and 3, part 14, schedule 1;  
Headnote 2, subpart B, part 14, schedule 1;  
Headnote 2, part 2, schedule 3; and  
Headnote 3, subpart A, part 7, schedule 7.

*TSUS items:*

170.22	170.37	170.68	176.07
170.23	170.42	170.70	176.08
170.24	170.43	170.74	176.09
170.26	170.44	170.75	176.10
170.27	170.47	170.76	176.11
170.29	170.48	175.10	176.12
170.31	170.49	175.11	176.13
170.33	170.62	175.12	745.21
170.34	170.63	176.05	745.22
170.36	170.64	176.06	

SEC. 2. The article descriptions, including superior headings, for TSUS items 175.09 and 176.04 are amended to read, respectively, "Copra" and "Coconut Oil".

SEC. 3. A column entitled "GSP" is added to the left of, and adjacent to, the column entitled "Item" on each page of schedules 1 through 7 of the TSUS. The designations "A" or "A\*", as specified in general headnote 3(c)(ii) of the TSUS, as added by Section 9 of this Order, shall be placed in the column entitled "GSP" opposite the TSUS item number of each article which has been designated as an eligible article for purposes of the Generalized System of Preferences.

SEC. 4. In order to subdivide existing items for purposes of the Generalized System of Preferences, the Tariff Schedules of the United States are amended as provided in Annex I, attached hereto and made a part hereof.

SEC. 5. The articles, identified by item numbers of the Tariff Schedules of the United States, as modified by this Order, set forth in Annex II and Annex III, attached hereto and made a part hereof, are designated, pursuant to Section 503 of the Trade Act of 1974 (88 Stat. 2069, 19 U.S.C. 2463), as eligible articles for purposes of the Generalized System of Preferences, and shall be given duty-free treatment as set forth in General Headnote 3(c) of the TSUS, as added by Section 9 of this Order.

SEC. 6. The designation "A" shall be inserted in the column entitled "GSP" of the TSUS, as modified by this Order, opposite the TSUS item numbers set forth in Annex II of this Order.

SEC. 7. The designation "A\*" shall be inserted in the column entitled "GSP" of the TSUS, as modified by this Order, opposite the TSUS item numbers set forth in Annex III of this Order.

SEC. 8. The countries set forth in General Headnote 3(c)(i) of the TSUS, as added by Section 9 of this Order, are hereby designated as beneficiary developing countries.

SEC. 9. A new General Headnote 3(c) of the TSUS is hereby added as follows:

"(c) *Products of Countries Designated Beneficiary Developing Countries for Purposes of the Generalized System of Preferences (GSP):*

"(i) The following countries and territories are designated beneficiary developing countries for purposes of the Generalized System of Preferences, provided for in Title V of the Trade Act of 1974 (88 Stat. 2066, 19 U.S.C. 2461 *et seq.*):

*"(a) Independent Countries*

Afghanistan	Malagasy Republic
Angola	Malawi
Argentina	Malaysia
Bahamas	Maldives Islands
Bahrain	Mali
Bangladesh	Malta
Barbados	Mauritania
Bhutan	Mauritius
Bolivia	Mexico
Botswana	Morocco
Brazil	Mozambique
Burma	Nauru
Burundi	Nepal
Cameroon	Nicaragua
Cape Verde	Niger
Central African Republic	Oman
Chad	Pakistan
Chile	Panama
Colombia	Papua New Guinea
Congo (Brazzaville)	Paraguay
Costa Rica	Peru
Cyprus	Philippines
Dahomey	Romania
Dominican Republic	Rwanda
Egypt	Sao Tome and Principe
El Salvador	Senegal
Equatorial Guinea	Sierra Leone
Ethiopia	Singapore
Fiji	Somalia
Gambia	Sri Lanka
Ghana	Sudan
Grenada	Surinam
Guatemala	Swaziland
Guinea	Syria
Guinea Bissau	Taiwan
Guyana	Tanzania
Haiti	Thailand
Honduras	Togo
India	Tonga
Israel	Trinidad and Tobago
Ivory Coast	Tunisia
Jamaica	Turkey
Jordar	Upper Volta
Kenya	Uruguay
Korea, Republic of	Western Samoa
Laos	Yemen Arab Republic
Lebanon	Yugoslavia
Lesotho	Zaire
Liberia	Zambia

*"(b) Non-Independent Countries and Territories*

Afars and Issas, French Territory of the	Macao
Antigua	Montserrat
Belize	Netherlands Antilles
Bermuda	New Caledonia
British Indian Ocean Territory	New Hebrides Condominium
British Solomon Islands	Niue
Brunei	Norfolk Island
Cayman Islands	Pitcairn Island
Christmas Island (Australia)	Portuguese Timor
Cocos (Keeling) Islands	Saint Christopher-Nevis-Anguilla
Comora Islands	Saint Helena
Cook Islands	Saint Lucia
Dominica	Saint Vincent
Falkland Islands (Malvinas) and Dependencies	Seychelles
French Polynesia	Spanish Sahara
Gibraltar	Tokelau Islands
Gilbert and Ellice Islands	Trust Territory of the Pacific Islands
Heard Island and McDonald Islands	Turks and Caicos Islands
Hong Kong	Virgin Islands, British
	Wallis and Futuna Islands

"(ii) Articles for which the designations "A" or "A\*" appear in the column entitled "GSP" of the schedules are those designated by the President to be eligible articles for purposes of the GSP pursuant to Section 503 of the Trade Act. The designation "A" signifies that all beneficiary developing countries are eligible for preferential treatment with respect to all articles provided for in the designated TS item, while the designation "A\*" indicates that certain beneficiary developing countries, specifically enumerated in subdivision (c) (iii) of this headnote, are not eligible for such preferential treatment with regard to any article provided for in the designated TSUS item. Whenever an eligible article is imported into the customs territory of the United States directly from a country or territory listed in subdivision (c) (i) of this headnote, it shall receive duty-free treatment, unless excluded from such treatment by subdivision (c) (iii) of this headnote, provided that, in accordance with regulations promulgated by the Secretary of the Treasury:

"(A) The sum of (1) the cost or value of the materials produced in the beneficiary developing country, plus (2) the direct costs of processing operations performed in such country is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States; or

"(B) The sum of (1) the cost or value of the material produced in two or more beneficiary developing countries which are members of the same association of countries which is treated as one country under Section 502(a)(3) of the Trade Act, plus (2) the direct cost of processing operations performed in such countries is not less than 50 percent of the appraised value of such article at the time of its entry into the customs territory of the United States;

"and provided further that, for the purposes of (A) above, the term "country" does not include an association of countries which is treated as one country under Section 502(a)(3) of the Trade Act, but does include a country which is a member of any such association.

"(iii) The following designated eligible articles provided for in TSUS item numbers preceded by the designation "A\*", if imported from a beneficiary developing country set opposite the TSUS item numbers listed below, are not entitled to the duty-free treatment provided for in subdivision (c) (ii) of this headnote:

<i>TSUS item No.</i>	<i>Country or territory</i>
106.60.....	India.
106.70.....	Nicaragua.
107.48.....	Argentina.
111.15.....	Mexico.
121.50.....	Yugoslavia.
121.52.....	India.
121.54.....	Do.
130.40.....	Mexico.
130.63.....	Do.
131.35.....	Hong Kong.
135.80.....	Nicaragua.
135.90.....	Mexico.
136.00.....	Dominican Republic.
136.80.....	Mexico.
136.98.....	Dominican Republic.
137.40.....	Mexico.
137.75.....	Costa Rica.
138.05.....	Mexico.
140.09.....	Thailand.
140.14.....	Do.
140.16.....	Ethiopia.
141.35.....	Turkey.
141.55.....	Dominican Republic.
141.70.....	Republic of China (Taiwan).
145.24.....	Mexico.
145.60.....	Republic of China (Taiwan).
146.12.....	Argentina.
146.44.....	Philippine Republic.
147.33.....	Jamaica.
147.80.....	Mexico.
148.35.....	Do.
148.72.....	Chile.
148.77.....	Republic of Korea.
149.15.....	Dominican Republic.
149.50.....	Do.
152.00.....	Philippine Republic.
152.43.....	Dominican Republic.
152.72.....	Honduras.

<i>TSUS item No.</i>	<i>Country or territory</i>
153.02-----	Dominican Republic.
153.08-----	Do.
155.20-----	Argentina.
	Brazil.
	Republic of China (Taiwan).
	Colombia.
	Costa Rica.
	Dominican Republic.
	Guatemala.
	Guyana.
	India.
	Jamaica.
	Mexico.
	Peru.
	Philippine Republic.
155.35-----	Dominican Republic.
155.40-----	Mexico.
155.75-----	Do.
156.45-----	Do.
168.15-----	Trinidad.
168.18-----	Peru.
168.23-----	Do.
168.50-----	Mexico.
176.01-----	Brazil.
176.02-----	Do.
190.10-----	Mexico.
192.85-----	Do.
200.91-----	Do.
202.60-----	Thailand.
202.62-----	Mexico.
206.45-----	Philippine Republic.
206.60-----	Mexico.
206.95-----	Haiti.
222.10-----	Hong Kong.
222.42-----	Do.
240.02-----	Philippine Republic.
240.10-----	Brazil.
240.12-----	Do.
240.25-----	Republic of Korea.
240.38-----	Philippine Republic.
240.60-----	Singapore.
245.45-----	Surinam.
256.60-----	Republic of Korea.
256.85-----	Mexico.
304.04-----	Philippine Republic.
304.40-----	Republic of Korea.
304.48-----	Mexico.
304.58-----	India.
305.20-----	Do.
305.22-----	Do.
305.28-----	Do.
305.30-----	Do.
305.40-----	Philippine Republic.
306.52-----	Republic of China (Taiwan).
306.53-----	Peru.
319.01-----	India.
319.03-----	Do.
319.05-----	Do.
319.07-----	Do.
335.50-----	Do.
347.30-----	Do.
355.04-----	Mexico.
360.35-----	India.
364.18-----	Republic of China (Taiwan).
364.35-----	Do.
365.05-----	Colombia.
365.14-----	Pakistan.
403.78-----	Mexico.
416.10-----	Turkey.
418.28-----	Israel.
419.60-----	Chile.
420.78-----	Turkey.




<i>TSUS</i> <i>item No.</i>	<i>Country or</i> <i>territory</i>
421.46	Mexico.
421.90	Peru.
422.76	Mexico.
425.32	Do.
426.94	Israel.
428.92	Mexico.
437.16	India.
437.64	Brazil.
446.10	Malaysia.
455.16	Nicaragua.
461.05	Israel.
461.15	Bermuda.
465.70	Argentina.
470.57	Do.
472.48	Cyprus.
473.36	Do.
473.52	Mexico.
473.56	Do.
493.20	Republic of China (Taiwan).
493.21	Do.
511.31	Mexico.
511.41	Do.
511.51	Do.
512.44	Do.
514.11	Dominican Republic.
514.54	Mexico.
516.71	India.
516.73	Do.
516.76	Do.
517.21	Malagasy Republic.
517.24	Do.
518.41	Mexico.
520.35	Thailand.
520.37	Hong Kong.
523.61	Mexico.
531.04	Yugoslavia.
535.31	Mexico.
540.47	Do.
544.11	Republic of China (Taiwan).
545.53	Mexico.
545.65	Do.
547.51	Do.
602.30	Peru.
	Philippine Republic.
603.45	Republic of Korea.
605.60	Mexico.
610.56	India.
612.03	Chile.
	Peru.
612.06	Chile.
	Yugoslavia.
613.18	Israel.
618.29	Republic of Korea.
624.42	Mexico.
628.90	Chile.
646.06	Hong Kong.
646.82	Republic of China (Taiwan).
646.86	Hong Kong.
646.98	Mexico.
647.10	Do.
649.37	Do.
650.87	Hong Kong.
651.01	Do.
652.36	Do.
653.85	Republic of China (Taiwan).
656.20	Hong Kong.
661.65	Israel.
672.10	Hong Kong.
676.20	Mexico.
676.52	Do.
678.50	Republic of China (Taiwan).

<i>TSUS item No.</i>	<i>Country or territory</i>
683.80.....	Hong Kong.
684.50.....	Do.
685.24.....	Republic of China (Taiwan).
	Hong Kong.
	Republic of Korea.
	Singapore.
685.90.....	Mexico.
686.30.....	Republic of China (Taiwan).
688.10.....	Do.
688.40.....	Hong Kong.
692.27.....	Mexico.
694.60.....	Do.
696.35.....	Republic of China (Taiwan).
702.08.....	Do.
702.14.....	Hong Kong.
702.35.....	Mexico.
702.45.....	Do.
703.20.....	Do.
703.65.....	Do.
706.40.....	Hong Kong.
708.41.....	Do.
710.30.....	Mexico.
713.05.....	Israel.
713.19.....	Mexico.
722.14.....	Hong Kong.
725.20.....	Pakistan.
726.70.....	Mexico.
730.27.....	Brazil.
730.39.....	Do.
730.41.....	Do.
730.65.....	Yugoslavia.
731.30.....	Republic of China (Taiwan).
731.50.....	Republic of Korea.
734.10.....	Republic of China (Taiwan).
734.25.....	Hong Kong.
734.30.....	Do.
734.34.....	Do.
734.40.....	Republic of China (Taiwan).
734.51.....	Do.
734.54.....	Republic of Korea.
734.56.....	Haiti.
734.60.....	Republic of China (Taiwan).
737.40.....	Hong Kong.
737.50.....	Do.
737.95.....	Do.
740.05.....	Mexico.
740.30.....	Hong Kong.
740.70.....	Yugoslavia.
741.20.....	Hong Kong.
745.08.....	Do.
748.20.....	Do.
748.40.....	Republic of China (Taiwan).
750.05.....	Hong Kong.
750.35.....	Republic of China (Taiwan).
750.40.....	Hong Kong.
751.05.....	Republic of China (Taiwan).
751.20.....	Do.
760.65.....	Do.
771.05.....	Mexico.
772.03.....	Hong Kong.
772.35.....	Republic of China (Taiwan).
772.97.....	Hong Kong.
773.10.....	Do.
773.20.....	Republic of Korea.
774.20.....	India.
774.60.....	Hong Kong.
790.07.....	Do.
790.39.....	Republic of China (Taiwan).
790.70.....	Republic of Korea.
791.20.....	Brazil.
792.50.....	Philippine Republic.
792.60.....	Hong Kong.
792.75.....	Do.

SEC. 10. The provisions of this Order shall be effective with respect to articles that are both (1) imported, and (2)(a) entered for consumption or (b) withdrawn from warehouse for consumption on or after the effective date of this Order.

SEC. 11. Executive Order No. 11844 of March 24, 1975, is superseded.

SEC. 12. This Order shall be effective on January 1, 1976.

A handwritten signature in black ink, reading "Gerald R. Ford". The signature is written in a cursive, slightly slanted style.

THE WHITE HOUSE,  
November 24, 1975.

ANNEX I

GENERAL MODIFICATIONS OF THE TARIFF  
SCHEDULES OF THE UNITED STATES

15

NOTES.

1. Bracketed matter is included to assist in the understanding of proclaimed modifications.

2. The following items, with or without preceding superior descriptions, supersede matter now in the Tariff Schedules of the United States (TSUS). The items and superior descriptions are set forth in columnar form and material in such columns is inserted in the columns of the TSUS designated "Item", "Articles", "Rates of Duty 1", and Rates of Duty 2", respectively.

Subject to the above notes the TSUS is modified as follows:

Schedule 1

1. Item 107.50 is superseded by:

	[Beef ...:]		
	"Beef in airtight containers:		
107.48	Corned beef.....	7.5% ad val.	30% ad val.
107.52	Other.....	7.5% ad val.	30% ad val."

## 2. Item 130.65 is superseded by:

[Wheat:]

"Not fit for human consumption:

130.63	Seed wheat.....	5% ad val.	10% ad val.
130.66	Other.....	5% ad val.	10% ad val."

## 3. Item 138.00 is superseded by:

"Vegetables, fresh, chilled, or frozen,  
and cut, sliced, or otherwise  
reduced in size (but not otherwise  
prepared or preserved):

138.05	Broccoli, cauliflower and okra....	17.5% ad val.	35% ad val.
138.50	Other.....	17.5% ad val.	35% ad val."

## 4. Items 147.90 and 147.91 are superseded by:

"Mangoes, fresh, or prepared or  
preserved:

147.86	Fresh.....	3.75¢ per lb.	15¢ per lb.
147.87	If products of Cuba.....	3¢ per lb. (s)	
147.92	Prepared or preserved.....	3.75¢ per lb.	15¢ per lb.
147.93	If products of Cuba.....	3¢ per lb. (s)"	

## 5. Items 152.46 and 152.47 are superseded by:

[Fruit pastes and fruit pulps:]

"152.43	Cashew apple, mamey colorado, sapodilla, soursop and sweetsop.....	17.5% ad val.	35% ad val.
152.44	If product of Cuba.....	10% ad val. (s)	
152.65	Papaya.....	17.5% ad val.	35% ad val.
152.66	If product of Cuba.....	10% ad val. (s)"	

6. Item 153.00 is superseded by:

"153.02	[All jellies ...:]	
	Cashew apple, mango, mamey	
	colorado, sapodilla,	
	soursop and sweetsop.....	5% ad val.
153.20	Papaya.....	5% ad val.

7.(a) Items 163.19, 168.20, 168.21, and 168.22 are superseded by:

	[Brandy:]	
	"Pisco and singani:	
	In containers each holding	
	not over 1 gallon:	
168.18	Valued not over \$9	62¢ per gal. \$5 per gal.
	per gallon.....	
168.23	Valued over \$9	\$1.25 per gal. \$5 per gal.
	per gallon.....	
	In containers each holding	
	over 1 gallon:	
168.24	Valued not over \$9	50¢ per gal. \$5 per gal.
	per gallon.....	
168.26	Valued over \$9	\$1 per gal. \$5 per gal.
	per gallon.....	
	Other:	
	In containers each holding	
	not over 1 gallon:	
168.27	Valued not over \$9	62¢ per gal. \$5 per gal.
	per gallon.....	
168.28	Valued over \$9	\$1.25 per gal. \$5 per gal.
	per gallon.....	

In containers each holding  
over 1 gallon:

168.29 Valued not over \$9  
per gallon.....  
168.32 Valued over \$9  
per gallon.....

50¢ per gal. \$5 per gal.  
\$1 per gal. \$5 per gal."

(b) Conforming changes: Items 168.25 and 168.30 are  
redesignated as 168.33 and 168.34, respectively.  
The article description for item 945.16 is modi-  
fied by substituting therein "168.23, 168.26,  
168.28 and 168.32" for "168.20 and 168.22".

8.(a) Item 182.95 is superseded by:

[Edible preparations ...:]  
[Other:]

182.96 "Other:  
182.98 Wheat gluten.....  
Other.....

10¢ ad val. 20¢ ad val.  
10¢ ad val. 20¢ ad val."

(b) Conforming changes: Headnote 3 of subpart B,  
part 15, schedule 1 is modified by substituting  
therein "182.96 and 182.98" for "and 182.95."  
The article description for item 950.16 is  
modified by substituting therein "182.98" for  
"182.95." The article description for item  
950.23 is modified by substituting therein  
"182.98" for "182.95."

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Schedule 2

9. Item 206.97 is superseded by:

206.96	Household utensils ....}		
206.98	Other:		
	Coat and garment hangers.....	8% ad val.	33-1/3% ad val.
	Other: .....	8% ad val.	33-1/3% ad val."

Schedule 3

10. Items 335.80 and 335.90 are superseded by:

	Woven fabrics ....}		
	Other:		
	"Weighing not over 4 ounces per square yard: Of jute.....		
335.70	Other.....	3.2% ad val.	55% ad val.
335.75		3.2% ad val.	35% ad val.
	"Weighing over 4 ounces per square yard: Of jute.....		
335.85	Other.....	5% ad val.	40% ad val.
335.95		5% ad val.	40% ad val."

11. Item 347.25 is superseded by:

	Narrow fabrics:}		
	[Of vegetable ....]		
	"Wicking: Of cotton.....		
347.26	Other.....	10% ad val.	30% ad val.
347.28		10% ad val.	30% ad val."



12.(a) Items 360.75 and 360.80 are superseded by:

[Floor covering ....]  
[in which ....]

[Other:]

"Hand-hooked, that is, in  
which the pile or tufts  
were inserted or knotted  
by hand or by means of a  
hand tool:

With over 50 percent  
by weight of the  
pile or tufts  
being of vegetable  
fibers:

Of cotton.....  
Other.....

Other:

Of man-made  
fibers.....

Other.....

Other:

With over 50 percent  
by weight of the  
pile or tufts being  
of vegetable fibers:

Of cotton.....  
Other.....

Other:

Of man-made  
fibers.....

Other.....

12.5% ad val. 60% ad val.  
12.5% ad val. 60% ad val.

12.5% ad val. 60% ad val.  
12.5% ad val. 60% ad val.

16.5% ad val. 60% ad val.  
16.5% ad val. 60% ad val.

16.5% ad val. 60% ad val.  
16.5% ad val. 60% ad val."

360.76

360.77

360.78

360.79

360.81

360.82

360.83

360.84

(b) Conforming changes: The article description for item  
361.90 is modified by substituting therein "360.81 to  
360.84, inclusive," for "360.80."

13. Items 364.11, 364.12, and 364.15 are superseded by:

[Tapestries ....]

[Other:]

[Of vegetable ....]

[Jacquard-figured:]

"Not pile con-

struction:

Of cotton...

Of veget-

able

fibers,

except

cot-

ton.....

55% ad val.

15% ad val.

364.07

364.09

Pile construc-

tion:

Of cotton....

Of veget-

able

fibers,

except

cotton.....

40% ad val.

15% ad val..

364.13

364.14

Other:

Certified hand-

loomed and

folklore

products; and

articles of

cotton.....

Other.....

40% ad val.

15% ad val.

364.16

40% ad val.

15% ad val.

40% ad val."

15% ad val.

364.18

14. Items 365.10 and 365.85 are superseded by:

[Lace or net furnishings ...:]		
[Handmade-lace ...:]		
[Valued ...:]		
"Other:		
365.11	Of wool or of man-made fibers.....	20% ad val. 90% ad val.
365.14	Other.....	20% ad val. 90% ad val."
[Net furnishings ...:]		
"Other:		
365.86	Of wool or of man-made fibers.....	21% ad val. 90% ad val.
365.91	Other.....	21% ad val. 90% ad val."

15. Item 370.20 is superseded by:

[Lace handkerchiefs ...:]		
"Other:		
370.21	Of man-made fibers.....	1¢ each + 4¢ each + 10% ad val. 40% ad val.
370.22	Other.....	1¢ each + 4¢ each + 10% ad val. 40% ad val."

16. Item 390.12 is superseded by:

[Scrap cordage:]		
"Other:		
390.14	Of man-made fibers.....	2.5% ad val. 10% ad val.
390.16	Other.....	2.5% ad val. 10% ad val."

Schedule 4

17. Item 425.98 is superseded by:

"425.87 425.99	[Acids:]	
	Propionic acid and sorbic acid.....	6% ad val. 25% ad val."
	Other.....	6% ad val. 25% ad val."

Schedule 6

18. Item 685.23 is superseded by:

685.21 685.24	[Radiotelegraphic ...:]	
	[Radiotelegraphic ...:]	
	[Other:]	
	"Solid-state (tubeless) radio receivers:	
	Designed for	10.4% ad val.
	motor-vehicle	35% ad val.
	installation..	10.4% ad val.
	Other.....	35% ad val."

19. Items 687.50 and 687.51 are superseded by:

[Electronic ...:]	
"television picture tubes:	

687.35	Color.....	15% ad val.	60% ad val.
687.36	If Canadian article and original motor- vehicle equipment (see headnote 2, part 6(B), schedule 6).....	Free	
687.40	Other.....	15% ad val.	60% ad val.
687.41	If Canadian article and original motor- vehicle equipment (see headnote 2, part 6(B), schedule 6).....	Free"	

Schedule 7

20.(a) Item 700.55 is superseded by:

	[Footwear ....:]	
	[Other ...:]	
	"Having uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear having foxing or a foxing- like band applied or molded at the sole and overlapping the upper):	
700.54	Zoris (thonged sandals).....	6% ad val.
700.58	Other.....	6% ad val.
		35% ad val.
		35% ad val."

(b) Conforming changes: Headnote 3(a) of subpart A, part 1, schedule 7 is modified by substituting therein "700.58" for "700.55."

21. Items 702.05 and 702.10 are superseded by:

[Headwear ....:]			
[Of cotton ....:]			
"Knit:			
702.06	Of cotton.....	21%, ad val.	45% ad val.
702.08	Other.....	21% ad val.	45% ad val.
Not knit:			
Certified hand-loomed			
and folklore			
products; and headwear			
702.12	of cotton.....	20% ad val.	37.5% ad val.
Other.....		20% ad val.	37.5% ad val.
702.14			

22. Item 704.35 is superseded by:

[Gloves ....:]			
[Lace or net ....:]			
"Of materials other than			
vegetable fibers or wool:			
704.32	Of man-made fibers.....	30% ad val.	90% ad val.
704.34	Other.....	30% ad val.	90% ad val."

23. Item 726.80 is superseded by:

"Musical instrument parts not specially provided for:

726.85	Piano parts.....	8.5% ad val.	40% ad val.
726.90	Other.....	8.5% ad val.	40% ad val."

24. Item 727.80 is superseded by:

727.82	"Pillows, cushions, mattresses, and similar furnishings, all the foregoing, whether or not fitted with covers and with or without electrical heating elements, fitted with springs, stuffed, or both, or of expanded, foamed, or sponge rubber or plastics: Of cotton.....	15% ad val.	40% ad val.
727.86	Other.....	15% ad val.	40% ad val."

25. Item 734.50 is superseded by:

"Badminton equipment, and parts thereof:

734.48	Nets of cotton, whether or not in badminton sets.....	14% ad val.	30% ad val.
734.51	Other.....	14% ad val.	30% ad val."

26. Item 737.90 is superseded by:

[Toys ....]

"Other:

737.85	Kites.....	17.5% ad val.	70% ad val.
737.95	Other.....	17.5% ad val.	70% ad val."

## ANNEX II

## TSUS item

100.25	121.65	146.80	166.10
100.31	123.50	147.21	166.30
100.95	124.20	147.29	166.40
105.84	124.25	147.36	167.05
106.40	124.30	147.85	167.15
106.75	124.40	147.92	167.25
106.80	124.60	149.60	167.34
106.85	124.65	152.54	167.40
107.10	124.70	152.58	167.50
107.15	124.80	153.16	168.17
107.20	125.30	153.24	168.24
107.25	125.70	153.28	168.26
107.40	125.80	153.32	168.33
107.45	126.41	154.10	168.35
107.65	127.10	154.40	168.55
107.70	130.20	154.55	175.51
107.75	130.30	154.60	176.30
107.80	130.35	155.30	176.33
110.28	131.20	155.60	176.50
110.35	132.55	156.25	176.70
110.45	135.30	156.30	177.58
111.18	135.50	156.35	177.62
111.56	135.51	156.40	177.69
111.92	135.70	156.47	177.72
112.03	135.94	157.10	178.30
112.36	136.90	161.15	182.05
112.40	136.99	161.19	182.10
112.94	137.01	161.37	182.11
113.01	140.10	161.43	182.15
113.30	140.11	161.45	182.20
113.40	140.46	161.53	182.30
113.50	141.05	161.61	182.32
113.60	141.20	161.65	182.35
114.05	141.45	161.69	182.36
114.25	141.50	161.71	182.40
114.55	141.79	161.75	182.45
117.65	145.02	161.79	182.46
117.67	145.09	161.83	182.52
119.50	145.28	161.92	182.58
119.55	145.30	161.94	182.90
120.17	145.52	161.96	182.96
121.10	145.53	162.03	184.50
121.15	145.54	162.07	184.65
121.25	146.22	162.11	186.10
	146.42	162.15	
	146.66	165.55	



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 TSUS item

186.15	220.50	251.45	254.25
186.20	222.30	251.49	254.30
186.30	222.32	252.05	254.35
186.40	222.34	252.10	254.40
186.50	222.36	252.13	254.42
188.30	222.40	252.15	254.44
188.34	222.41	252.17	254.46
188.50	222.44	252.20	254.48
190.25	222.55	252.25	254.50
190.68	222.57	252.27	254.54
191.15	222.60	252.30	254.56
192.45	222.62	252.35	254.58
192.70	222.64	252.40	254.63
200.06	240.00	252.42	254.65
200.45	240.03	252.45	254.70
202.38	240.04	252.50	254.75
202.40	240.06	252.57	254.80
202.54	240.14	252.59	254.85
202.56	240.16	252.61	254.90
202.66	240.19	252.63	254.95
203.10	240.21	252.67	256.05
203.20	240.30	252.70	256.10
203.30	240.32	252.73	256.13
204.05	240.34	252.75	256.15
204.10	240.36	252.77	256.20
204.20	240.40	252.79	256.25
204.30	240.50	252.81	256.30
204.35	240.52	252.84	256.35
206.30	240.54	252.86	256.40
206.47	240.56	252.90	256.42
206.50	240.58	253.05	256.44
206.52	245.00	253.10	256.48
206.53	245.10	253.15	256.52
206.54	245.20	253.20	256.54
206.98	245.30	253.25	256.56
207.00	245.50	253.30	256.58
220.10	245.60	253.35	256.65
220.15	245.70	253.40	256.67
220.20	245.80	253.45	256.70
220.25	251.10	254.05	256.75
220.31	251.15	254.09	256.80
220.35	251.20	254.15	256.90
220.38	251.25	254.18	270.45
220.40	251.30	254.20	270.50
220.45			

## TSUS item

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273.30	307.06	365.91	407.55
273.50	307.16	370.17	407.60
273.55	308.06	370.19	407.70
273.65	308.10	370.22	407.80
273.70	308.16	385.95	407.90
273.75	308.18	390.16	408.05
273.85	308.20	403.02	408.10
273.90	308.30	403.04	408.15
273.95	308.35	403.06	408.20
274.00	308.40	403.08	408.25
274.05	308.45	403.10	408.30
274.10	308.47	403.40	408.35
274.15	308.50	403.42	408.40
274.20	308.51	403.44	408.45
274.23	308.55	403.46	408.60
274.27	308.80	403.70	408.70
274.29	308.90	403.75	408.75
274.33	312.10	403.90	408.80
274.35	312.30	405.04	409.00
274.60	312.40	405.06	415.20
274.65	312.50	405.10	415.27
274.70	315.75	405.15	415.50
274.75	316.50	405.20	416.05
274.80	316.70	405.25	416.30
274.85	335.70	405.30	416.45
274.90	335.85	405.35	417.10
304.10	339.10	405.40	417.14
304.12	347.20	405.45	417.16
304.14	347.28	405.55	417.18
304.20	347.35	406.80	417.20
304.22	347.72	407.02	417.22
304.44	347.75	407.04	417.24
305.50	355.20	407.06	417.26
306.42	355.42	407.08	417.28
306.60	355.55	407.10	417.30
306.61	360.36	407.12	417.32
306.70	360.77	407.20	417.34
306.71	360.79	407.25	417.36
306.72	360.82	407.30	417.38
306.80	360.84	407.32	417.42
306.81	361.53	407.35	417.44
306.82	364.09	407.40	417.50
307.02	364.14	407.45	417.52
307.04	364.25	407.50	417.54

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 TSUS item

417.64	419.50	421.22	425.08
417.70	419.52	421.34	425.09
417.72	419.54	421.36	425.10
417.74	419.70	421.44	425.12
417.76	419.74	421.52	425.14
417.78	419.76	421.54	425.18
417.80	419.80	421.60	425.20
417.90	419.82	421.62	425.22
417.92	419.84	421.72	425.24
418.00	419.90	421.74	425.26
418.14	420.00	421.76	425.28
418.18	420.02	421.84	425.34
418.22	420.04	421.86	425.36
418.24	420.06	422.00	425.38
418.26	420.08	422.10	425.41
418.32	420.14	422.12	425.42
418.40	420.16	422.14	425.52
418.42	420.18	422.20	425.70
418.44	420.20	422.24	425.72
418.50	420.22	422.26	425.74
418.52	420.24	422.30	425.76
418.60	420.26	422.58	425.78
418.62	420.28	422.60	425.82
418.68	420.30	422.62	425.84
418.72	420.34	422.70	425.86
418.74	420.36	422.72	425.87
418.76	420.40	422.74	425.88
418.78	420.54	422.78	425.94
418.80	420.60	422.80	426.00
418.94	420.68	422.82	426.04
419.00	420.70	422.90	426.08
419.02	420.82	422.92	426.10
419.04	420.84	422.94	426.12
419.10	420.86	423.00	426.14
419.20	420.88	423.80	426.18
419.22	420.94	423.84	426.22
419.24	420.98	423.86	426.24
419.28	421.04	423.88	426.26
419.32	421.06	423.94	426.28
419.34	421.08	423.96	426.32
419.38	421.10	425.00	426.34
419.40	421.14	425.02	426.36
419.42	421.16	425.04	426.42
419.44	421.18	425.06	426.44

## TSUS item

426.46	427.64	429.12	437.56
426.52	427.70	429.20	437.57
426.54	427.72	429.22	437.58
426.56	427.74	429.24	437.60
426.58	427.82	429.26	437.65
426.62	427.84	429.30	437.68
426.64	427.92	429.32	437.69
426.72	427.94	429.34	437.70
426.76	427.97	429.38	437.72
426.77	427.98	429.42	437.74
426.78	428.04	429.44	437.82
426.82	428.06	429.46	437.84
426.84	428.12	429.47	437.86
426.86	428.20	429.48	438.01
426.88	428.22	429.60	438.02
426.92	428.24	429.70	439.30
426.96	428.26	429.85	439.50
426.98	428.30	429.95	440.00
427.02	428.32	435.10	445.05
427.04	428.34	435.70	445.10
427.06	428.36	437.02	445.15
427.08	428.40	437.04	445.20
427.12	428.42	437.06	445.25
427.14	428.44	437.10	445.30
427.16	428.46	437.12	445.35
427.18	428.50	437.13	445.40
427.20	428.52	437.14	445.45
427.22	428.54	437.18	445.50
427.24	428.58	437.20	445.75
427.25	428.62	437.22	446.12
427.28	428.64	437.24	446.15
427.30	428.66	437.30	446.30
427.40	428.68	437.32	450.10
427.42	428.72	437.36	450.20
427.44	428.80	437.38	452.24
427.45	428.82	437.40	452.48
427.46	428.84	437.44	452.54
427.48	428.86	437.49	452.58
427.53	428.88	437.50	452.80
427.54	428.90	437.51	455.02
427.56	428.94	437.52	455.06
427.58	428.96	437.54	455.18
427.60	429.00	437.55	455.20
427.62	429.10		455.22

## TSUS item

455.24	465.75	473.54	490.44
455.30	465.80	473.58	490.46
455.32	465.85	473.60	490.48
455.34	465.87	473.62	490.50
455.36	465.90	473.66	490.90
455.38	465.92	473.70	490.92
455.40	465.95	473.72	490.94
455.42	466.05	473.74	493.10
455.44	466.10	473.76	493.16
455.46	466.15	473.78	493.18
460.10	466.20	473.80	493.22
460.15	466.25	473.82	493.25
460.25	466.30	473.84	493.26
460.30	470.15	473.86	493.30
460.35	470.25	473.88	493.46
460.45	470.55	473.90	493.47
460.50	470.85	474.02	493.50
460.55	472.06	474.04	493.67
460.60	472.10	474.06	493.68
460.65	472.14	474.08	493.82
460.70	472.24	474.20	494.04
460.75	472.30	474.22	494.40
460.80	472.40	474.26	494.52
460.85	472.42	474.30	494.60
460.90	472.44	474.35	495.05
461.10	472.50	474.40	495.10
461.20	473.02	474.42	495.15
461.30	473.06	474.44	495.20
461.35	473.10	474.46	511.11
461.40	473.12	474.50	511.25
461.45	473.14	474.60	511.61
465.05	473.16	474.62	511.71
465.10	473.18	475.55	512.24
465.15	473.19	475.60	512.31
465.20	473.20	485.10	512.35
465.25	473.24	485.20	512.41
465.30	473.28	485.30	513.21
465.35	473.30	490.05	513.36
465.40	473.32	490.10	513.41
465.45	473.38	490.24	513.51
465.50	473.44	490.30	513.74
465.55	473.46	490.32	513.81
465.60	473.48	490.40	513.84
465.65	473.50	490.42	513.94

## TSUS item

514.21	519.91	534.74	545.11
514.24	519.93	534.76	545.17
514.34	519.95	534.81	545.21
514.41	519.97	534.84	545.25
514.44	520.31	534.87	545.27
514.51	520.39	534.91	545.31
514.57	520.51	534.94	545.34
514.61	520.54	534.97	545.35
514.65	520.61	535.11	545.37
514.81	520.71	535.12	545.55
515.11	521.87	535.14	545.57
515.14	522.41	535.21	545.61
515.24	522.45	535.24	545.63
515.31	522.71	535.27	545.67
515.34	522.81	535.41	545.81
515.51	523.31	536.11	545.85
515.54	523.33	536.15	545.87
515.61	523.35	540.11	546.21
515.64	523.37	540.13	546.23
516.11	523.51	540.14	546.25
516.21	523.91	540.15	546.40
516.24	523.94	540.21	546.42
516.74	531.01	540.37	546.43
516.91	531.11	540.41	546.44
516.94	531.21	540.43	546.46
517.11	531.24	540.51	546.48
517.27	531.33	540.55	546.49
517.51	531.35	540.61	546.50
517.61	531.37	540.63	547.11
517.71	531.39	540.65	547.13
517.74	532.14	540.67	547.15
517.81	532.31	540.71	547.21
517.91	532.41	541.11	547.31
518.21	532.61	541.21	547.37
518.44	533.11	541.31	547.41
518.51	533.14	543.11	547.43
519.11	533.16	544.14	547.53
519.14	533.23	544.16	547.55
519.31	533.25	544.18	548.01
519.37	533.26	544.41	548.03
519.51	533.41	544.51	548.05
519.83	534.11	544.54	601.27
519.84	534.21	544.61	601.33
519.86	534.31	544.64	602.10

## TSUS item

602.20	609.90	612.81	624.14
602.28	610.58	612.82	624.16
603.10	610.62	613.02	624.18
603.15	610.63	613.03	624.20
603.25	610.65	613.04	624.22
603.30	610.66	613.06	624.24
603.40	610.70	613.08	624.30
603.49	610.71	613.10	624.32
603.50	610.74	613.11	624.34
603.54	610.80	613.12	624.40
603.55	612.02	613.15	624.50
603.70	612.05	618.10	624.52
605.03	612.08	618.15	624.54
605.05	612.10	618.17	626.15
605.06	612.15	618.20	626.17
605.08	612.17	618.22	626.18
605.48	612.20	618.25	626.20
605.65	612.30	618.27	626.22
605.66	612.31	618.40	626.24
607.01	612.32	618.42	626.30
607.02	612.34	618.47	626.31
607.03	612.35	620.08	626.35
607.04	612.36	620.10	626.40
607.12	612.38	620.12	626.42
607.18	612.39	620.16	626.45
607.35	612.40	620.20	628.05
607.36	612.41	620.22	628.10
607.37	612.43	620.26	628.15
607.45	612.44	620.30	628.20
607.51	612.45	620.40	628.25
607.57	612.50	620.42	628.30
608.04	612.52	620.46	628.35
608.05	612.55	620.50	628.40
608.06	612.56	622.15	628.45
608.08	612.60	622.17	628.50
608.10	612.61	622.20	628.55
608.25	612.62	622.22	628.59
608.27	612.63	622.25	628.70
608.30	612.64	622.35	628.74
608.32	612.70	622.40	628.95
609.12	612.71	624.02	629.05
609.13	612.72	624.04	629.10
609.15	612.73	624.10	629.20
609.88	612.80	624.12	629.25

## TSUS item

629.26	642.80	646.22	648.93
629.50	642.82	646.27	648.95
629.60	642.85	646.28	648.97
629.65	642.87	646.30	649.01
632.02	642.93	646.32	649.03
632.04	644.02	646.34	649.05
632.12	644.06	646.36	649.07
632.16	644.08	646.40	649.11
632.34	644.09	646.41	649.14
632.42	644.11	646.42	649.17
632.60	644.12	646.45	649.19
632.62	644.15	646.47	649.21
632.66	644.17	646.51	649.23
633.00	644.18	646.53	649.24
640.05	644.20	646.54	649.25
640.10	644.22	646.56	649.26
640.20	644.24	646.57	649.27
640.25	644.26	646.65	649.29
640.30	644.28	646.72	649.31
640.35	644.30	646.74	649.32
640.40	644.32	646.75	649.33
642.06	644.36	646.76	649.35
642.16	644.38	646.77	649.39
642.18	644.40	646.78	649.41
642.20	644.42	646.85	649.43
642.25	644.46	646.87	649.44
642.27	644.48	646.88	649.46
642.30	644.52	646.95	649.47
642.45	644.56	646.97	649.48
642.47	644.60	647.01	649.49
642.50	644.64	647.03	649.53
642.52	644.68	647.05	649.57
642.54	644.72	648.51	649.67
642.56	644.76	648.53	649.71
642.58	644.80	648.55	649.73
642.60	644.84	648.57	649.75
642.62	644.88	648.61	649.77
642.64	644.92	648.63	649.79
642.66	644.95	648.67	649.81
642.68	644.98	648.69	649.83
642.70	646.02	648.71	649.85
642.72	646.04	648.73	649.87
642.74	646.17	648.75	649.89
642.76	646.20	648.85	649.91
642.78		648.89	
		648.91	



## TSUS item

650.05	651.62	653.50	660.52
650.07	652.03	653.60	660.54
650.13	652.06	653.62	660.65
650.19	652.09	653.65	660.70
650.35	652.12	653.70	660.75
650.37	652.15	653.75	660.80
650.43	652.18	653.80	660.85
650.51	652.21	653.90	660.92
650.53	652.24	653.95	660.94
650.57	652.27	653.97	661.09
650.61	652.30	654.00	661.10
650.63	652.33	654.05	661.12
650.65	652.35	654.10	661.15
650.71	652.38	654.15	661.20
650.73	652.41	654.20	661.25
650.75	652.42	656.05	661.30
650.77	652.45	656.10	661.35
650.79	652.50	656.15	661.40
650.81	652.55	656.25	661.45
650.83	652.65	656.30	661.50
650.85	652.70	656.35	661.55
650.89	652.72	657.10	661.70
651.03	652.75	657.15	661.85
651.04	652.80	657.20	661.90
651.07	652.84	657.30	661.92
651.09	652.86	657.35	661.95
651.11	652.88	657.40	662.10
651.13	652.90	657.50	662.15
651.15	652.92	657.60	662.18
651.21	652.93	657.70	662.20
651.23	652.98	657.75	662.26
651.25	653.02	657.80	662.35
651.27	653.03	657.90	662.50
651.29	653.05	658.00	664.05
651.31	653.07	660.10	664.10
651.33	653.10	660.15	666.10
651.37	653.15	660.20	666.25
651.45	653.20	660.22	668.00
651.47	653.25	660.25	668.02
651.49	653.30	660.30	668.04
651.51	653.35	660.35	668.06
651.53	653.37	660.42	668.07
651.55	653.39	660.44	668.10
651.60	653.45	660.46	668.15

## TSUS item

668.20	674.20	680.54	685.70
668.32	674.30	680.57	686.22
668.34	674.32	680.60	686.24
668.36	674.35	680.70	686.40
668.38	674.40	680.90	686.50
668.50	674.42	682.03	686.60
670.00	674.50	682.07	686.70
670.02	674.52	682.20	686.80
670.04	674.53	682.25	686.90
670.06	674.55	682.30	687.10
670.12	674.56	682.40	687.20
670.14	674.60	682.50	687.30
670.16	674.70	682.52	687.40
670.17	674.75	682.55	688.04
670.18	674.80	682.60	688.06
670.19	674.90	682.70	688.12
670.20	676.07	682.80	688.15
670.22	676.10	682.90	688.20
670.23	676.12	682.95	688.25
670.25	676.15	683.10	688.30
670.27	676.22	683.15	688.35
670.29	676.23	683.20	690.05
670.33	676.25	683.30	690.10
670.35	676.30	683.32	690.15
670.40	676.50	683.40	690.20
670.41	678.20	683.50	690.35
670.42	678.30	683.60	690.40
670.43	678.32	683.65	692.04
670.50	678.35	683.70	692.14
670.52	678.40	683.90	692.16
670.54	678.45	683.95	692.35
670.56	680.05	684.10	692.40
670.64	680.07	684.15	692.45
670.66	680.12	684.20	692.50
670.68	680.15	684.30	692.55
670.70	680.20	684.40	692.60
670.72	680.22	684.62	694.15
670.74	680.25	684.64	694.20
670.90	680.27	684.70	694.30
672.15	680.40	685.10	694.40
672.20	680.45	685.25	694.50
672.22	680.47	685.40	694.70
672.25	680.48	685.42	696.05
674.10	680.52	685.60	696.10

## TSUS item

696.15	706.07	709.27	711.30
696.30	708.09	709.40	711.34
696.40	708.21	709.45	711.36
696.50	708.23	709.50	711.37
696.60	708.25	709.51	711.40
700.54	708.27	709.55	711.42
702.15	708.29	709.56	711.45
702.20	708.43	709.57	711.47
702.25	708.45	709.61	711.49
702.28	708.47	709.63	711.55
702.30	708.51	709.66	711.60
702.32	708.52	710.04	711.67
702.37	708.53	710.06	711.82
702.40	708.55	710.08	711.83
702.47	708.57	710.12	711.84
702.85	708.59	710.14	711.86
702.90	708.71	710.16	711.88
702.95	708.72	710.20	711.90
703.25	708.73	710.21	711.98
703.30	708.75	710.26	712.05
703.35	708.76	710.27	712.10
703.40	708.78	710.34	712.12
703.45	708.80	710.36	712.15
703.50	708.82	710.40	712.20
703.55	708.85	710.42	712.25
703.60	708.87	710.46	712.27
703.70	708.89	710.50	712.47
703.72	708.91	710.60	712.49
703.75	708.93	710.61	713.07
703.80	709.01	710.63	713.09
703.85	709.03	710.65	713.11
704.34	709.05	710.67	713.15
704.75	709.06	710.68	713.17
704.80	709.07	710.70	715.20
704.95	709.09	710.72	720.80
705.30	709.10	710.76	720.92
705.90	709.11	710.78	721.10
706.04	709.13	710.80	722.02
706.45	709.15	710.86	722.04
706.47	709.17	710.88	722.10
706.50	709.19	710.90	722.12
708.01	709.21	711.04	722.16
708.03	709.23	711.08	722.18
708.05	709.25	711.25	

## TSUS item

722.30	725.06	727.48	731.26
722.32	725.10	727.52	731.42
722.34	725.12	727.55	731.44
722.40	725.14	727.86	731.60
722.42	725.16	728.05	732.40
722.44	725.18	728.10	732.50
722.46	725.22	728.15	732.52
722.50	725.24	728.20	732.60
722.52	725.26	728.25	732.62
722.55	725.30	730.05	734.05
722.56	725.32	730.23	734.15
722.60	725.34	730.25	734.20
722.64	725.36	730.29	734.32
722.70	725.38	730.31	734.42
722.72	725.40	730.37	734.45
722.75	725.46	730.43	734.70
722.78	725.47	730.45	734.71
722.80	725.50	730.51	734.72
722.82	725.52	730.53	734.75
722.83	726.05	730.55	734.77
722.85	726.10	730.57	734.80
722.86	726.15	730.59	734.85
722.88	726.20	730.63	734.86
722.90	726.25	730.67	734.87
722.92	726.40	730.71	734.88
722.94	726.45	730.73	734.90
722.96	726.50	730.74	734.91
723.05	726.52	730.75	734.93
723.10	726.55	730.77	734.95
723.15	726.60	730.80	734.96
723.20	726.62	730.81	734.97
723.25	726.63	730.85	735.05
723.30	726.65	730.86	735.09
723.32	726.75	730.88	735.10
723.35	726.90	730.90	735.11
724.10	727.02	730.91	735.12
724.12	727.04	730.92	735.15
724.20	727.06	730.93	735.17
724.25	727.15	731.05	735.18
724.35	727.30	731.06	735.20
724.40	727.35	731.10	737.07
724.45	727.40	731.20	737.09
725.03	727.45	731.22	737.15
725.04	727.47	731.24	737.25

## TSUS item

737.30	748.12	756.40	772.15
737.35	748.15	756.45	772.20
737.45	748.21	756.50	772.25
737.55	748.25	756.55	772.40
737.60	748.32	756.60	772.42
737.65	748.34	760.10	772.45
737.70	748.36	760.12	772.51
737.80	750.10	760.20	772.54
740.10	750.15	760.30	772.60
740.38	750.20	760.32	772.65
740.50	750.22	760.34	772.70
740.55	750.25	760.36	772.80
740.60	750.32	760.38	772.85
740.75	750.45	760.40	772.95
740.80	750.47	760.42	773.05
741.06	750.50	760.45	773.15
741.10	750.55	760.50	773.25
741.15	750.60	760.52	773.30
741.25	750.65	760.54	773.35
741.30	750.70	760.56	774.25
741.35	750.75	760.58	774.35
741.40	750.80	766.20	774.40
741.50	751.10	770.05	790.00
745.04	751.11	770.07	790.03
745.10	751.15	770.10	790.10
745.20	751.25	770.30	790.15
745.25	755.05	770.40	790.23
745.28	755.10	770.45	790.25
745.30	755.20	770.70	790.30
745.34	755.25	770.80	790.37
745.45	755.30	771.20	790.40
745.50	755.40	771.25	790.45
745.52	755.45	771.30	790.47
745.54	755.50	771.31	790.50
745.56	756.02	771.35	790.55
745.58	756.04	771.40	790.59
745.60	756.06	771.42	790.60
745.63	756.10	771.45	790.61
745.65	756.15	771.50	790.62
745.66	756.21	771.55	790.63
745.67	756.23	772.06	791.05
745.68	756.25	772.09	791.10
748.05	756.30		791.15
748.10	756.35		791.17

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TSUS item

791.19  
791.25  
791.30  
791.35  
791.45  
791.53  
791.55  
791.54  
791.57  
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791.65  
791.70  
791.75  
791.80  
791.90  
792.10  
792.22  
792.30  
792.32  
792.40

## ANNEX III

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TEUS Item			
106.60	168.25	419.60	610.56
106.70	168.50	420.78	612.03
107.48	176.01	421.46	612.06
111.15	176.02	421.90	615.18
121.52	190.15	422.76	618.20
121.52	192.85	425.32	624.42
121.54	200.91	426.94	628.90
130.40	202.60	428.92	646.06
130.65	202.62	437.16	646.82
131.35	206.45	437.64	646.86
135.80	206.60	446.10	646.98
135.90	206.95	455.16	647.10
136.00	222.10	461.05	649.37
136.80	222.42	461.15	650.87
136.98	240.02	465.70	651.01
137.40	240.10	470.57	652.36
137.75	240.12	472.48	653.85
138.05	240.25	473.36	656.20
140.09	240.38	473.52	661.65
140.14	240.60	473.56	672.10
140.16	245.45	493.20	676.20
141.35	256.60	493.21	676.52
141.55	256.85	511.31	678.50
141.70	304.04	511.41	683.80
145.24	304.40	511.51	684.50
145.60	304.48	512.44	685.24
146.12	304.58	514.11	685.90
146.44	305.20	514.54	686.30
147.33	305.22	516.71	688.10
147.80	305.28	516.73	688.40
148.35	305.30	516.76	692.27
148.72	305.40	517.21	694.60
148.77	306.52	517.24	696.35
149.15	306.53	518.41	702.08
149.50	319.01	520.35	702.14
152.00	319.03	520.37	702.35
152.43	319.05	523.61	702.45
152.72	319.07	531.04	703.20
153.02	335.50	535.31	703.65
153.08	347.30	540.47	706.40
155.20	355.04	544.11	708.41
155.35	360.35	545.53	710.30
155.40	364.18	545.65	713.05
155.75	364.35	547.51	713.19
156.45	365.05	602.30	722.14
168.15	365.14	603.45	725.20
168.18	403.78	605.60	726.70
	416.10		730.27
	418.28		

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ISUS Item

730.39	734.56	748.40	773.10
730.41	734.60	750.05	773.20
730.65	737.40	750.35	774.20
731.30	737.50	750.40	774.60
731.50	737.95	751.05	790.07
734.10	740.05	751.20	790.39
734.25	740.30	760.65	790.70
734.30	740.70	771.05	791.20
734.34	741.20	772.03	792.50
734.40	745.08	772.35	792.60
734.51	748.20	772.97	792.75
734.54			

[FR Doc 75-32183 Filed 11-24-75;4:55 pm]



FOR IMMEDIATE RELEASE  
Monday, November 24, 1975

PRESS RELEASE #211

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON, D.C. 20506

AMBASSADOR DENT ANNOUNCES TRADE PREFERENCES  
FOR ELIGIBLE DEVELOPING COUNTRIES

Ambassador Frederick B. Dent, Special Representative for Trade Negotiations today announced that the President has signed an Executive Order which implements the grant of duty-free entry, up to certain dollar-value and import-percentage limits, of imports from eligible developing countries. This U.S. Generalized System of Preferences (GSP) will take effect on January 1, 1976.

The product list includes 2,724 items, which on the basis of 1974 trade data accounted for \$2.6 billion in trade from eligible countries, or approximately 2.6% of total U.S. imports. Of U.S. dutiable non-petroleum imports from eligible developing countries, this accounts for 19%.

In making this announcement, Ambassador Dent emphasized that GSP is one element in a coordinated and concerted effort by the world's industrialized trading nations to bring developing countries more fully into the international trade system. Along with other major developed countries, Ambassador Dent stressed, U.S. policy is to encourage developing countries to diversify their production and exports, in order to earn their own way more competitively in world trade, thus decreasing their need for external assistance over the long run, and also contributing to expanded market opportunities for all nations, including the United States. Generalized tariff preferences, he pointed out, are one way of implementing that policy. Other ways also are being sought in the multilateral trade negotiations currently in progress in Geneva, Switzerland.

Notwithstanding its relatively small impact on the total U.S. import market, the GSP now being implemented is expected to offer broader export opportunities to beneficiary countries to the extent they make use of it as an incentive to diversify their industrial production. Trade opportunities in the article classifications eligible for GSP currently total \$25 billion a year. Preferences will give developing countries a margin over developed countries in competing for this \$25 billion worth of imports, plus any growth in these import categories, up to competitive need ceilings.

The President's Executive Order also makes certain revisions in the list of developing countries and dependent territories designated as eligible for GSP last March (STR Press Release #201, attached). Principal changes in the March list include the addition of five countries and three dependent territories, and the removal of two countries. The revised list included 98 countries and 39 territories.

Six of the additions are those whose eligibility for GSP has been under consideration since last March, under the statutory requirements of Title V of the Trade Act of 1974, which authorized GSP. Now determined to be eligible are: Cyprus, Israel, Romania, Somalia and Turkey. In addition, Christmas Island and the Cocos (Keeling) Islands and Hong Kong also have been found eligible dependent territories.

The two countries which were eligible last March, but which no longer qualify are the Khmer Republic (Cambodia) and Vietnam (South). In addition, six countries which were designated as dependent territories in March had their status modified to reflect their attainment of independency. These countries are: Angola, Cape Verde, Mozambique, Papua New Guinea, Sao Tome and Principe, and Surinam.

In determining eligibility, the law provides for the following factors to be taken into account: an expression by a country of its desire to be designated as a beneficiary developing country; its level of economic development; whether or not other major developed countries extend to it similar generalized tariff preferential treatment; and the extent to which it has assured the U.S. of reasonable access to its markets and basic commodity resources.

In addition, the law precludes GSP for any country which:

(a) is a Communist country, unless it is a member of the General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (IMF), receives Most-Favored-Nation (MFN) tariff treatment, and is not dominated or controlled by international communism;

(b) is a member of the Organization of Petroleum Exporting Countries (OPEC) or any other cartel and withholds vital commodity supplies from international trade, or raises prices to an unreasonable level which causes serious disruption of the international economy;

(c) grants preferential treatment to exports of a developed country, which causes a significant adverse effect on U.S. commerce, unless it has given satisfactory assurances that it will remove such preferences or their significant adverse effect;

(d) has nationalized or effectively nationalized U.S. property, or abrogated a contract without prompt, adequate and effective compensation, unless it is engaged in good faith negotiations or has submitted to binding arbitration such actions;

(e) does not cooperate with the United States in preventing illegal U.S. entry of narcotics; or

(f) fails to abide by arbitral awards in favor of the U.S.

The last three exclusions may be waived by the President, but only in the national economic interest. All designated beneficiaries are under continuous review to assure they meet statutory requirements for eligibility.

The law provides for "competitive need" limitations on the extent to which countries may benefit from GSP. If imports of any eligible article from any one beneficiary country in any one year exceed \$25 million (modified each year to reflect changes in the U.S. GNP) or 50 percent of total U.S. imports of that article, duty-free treatment is automatically withdrawn for that country for that article for the following year and until such time as those imports fall below these ceilings and their eligibility is reinstated.

In addition to regular import relief procedures, the law provides for special safeguards against domestic injury authorizing the President to suspend, modify or withdraw preferences for any article or for any country. Regulations to govern these special safeguards will be issued shortly. Also, articles receiving GSP are subject to countervailing duty actions, if they cause or threaten domestic injury, and to restraints authorized against dumping or other illegal or unfair trade practices.

The Congress specifically excluded from GSP imports of products subject to outstanding escape clause proclamations or national security actions; such "import-sensitive" articles as watches, textiles subject to international trade agreements, and certain footwear; and articles including electronic

products, products of iron and steel, and glass, which are determined to be import-sensitive. In addition, the law excludes from GSP other articles determined by the President to be import-sensitive.

An initial list of some 3,000 articles, was published last March, along with the list of 89 eligible beneficiary developing countries and 43 territories, and a list of 24 countries and territories under consideration for GSP. This list excluded some 2,000 items declared import sensitive in the statute. After the required competitive need limitations were applied the trade value of the 3,000 items came to \$3.5 billion. The U.S. International Trade Commission, and an interagency panel chaired by STR held extensive public hearings throughout the U.S. last spring and summer, to determine import sensitivity of these articles.

Further, the revised list of eligible countries and articles was reviewed by all interested U.S. government agencies, up through the Cabinet-level Trade Policy Committee chaired by Ambassador Dent, which advised the President on country and product eligibility. As a result of these procedures, some 300 additional items, worth about \$1 billion were found to be import-sensitive, and thus ineligible for GSP. In addition to the statutory exclusions, items the President determined to be import sensitive include automobiles; certain items of glass, china and earthenware; honey and certain fruits and vegetables; bicycles, certain sporting goods, firearms, hardware, clocks, and electronic products; certain leather and wood products, and some chemicals.

The United States is the 23rd nation to adopt comparable systems of generalized tariff preferences for exports of developing countries. Implementation of GSP will fulfill a longstanding commitment of the United States, made by the past several Administrations.

In addition, the United States is committed to consider certain special and differential treatment of developing countries in the current multilateral trade negotiations in progress in Geneva, Switzerland. However, in these considerations, in contrast to the non-reciprocal grant of GSP, the United States will be seeking trade contributions from developing countries consistent with their financial development, and trade needs in exchange for measures to encourage their further trade expansion. Priority is being requested by all developed countries for expanded export opportunities in certain tropical products.

These measures taken to expand the two-way trade, development and economic growth of the developing countries also are expected to expand job-creating export opportunities for the United States, as well as increase assurance of access to sources of vital commodity supplies.

[From Federal Register, vol. 40, No. 251, December 31, 1975]

## CHAPTER XX—OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

### GENERALIZED SYSTEM OF PREFERENCES

#### Reviews Pertaining to the Eligibility of Articles

By Executive Order No. 11888, of November 24, 1975 (40 FR 55276, November 26, 1975), the President provided for the implementation on January 1, 1976, of the United States Generalized System of Preferences for eligible imports from beneficiary developing countries (hereinafter, "GSP"), authorized by title V of the Trade Act of 1974 (19 U.S.C. 2461-2465, 88 Stat. 2066-2071), hereinafter referred to as the "Trade Act"). One of the implementing steps taken in E.O. 11888 was the designation of articles that will be eligible for duty-free treatment under the GSP.

Regulations establishing procedures for reviewing the designations of eligible articles, and the possible designations of additional articles as eligible for the GSP, are set forth below. These regulations add a new Part 2007 to title 15, Chapter XX of the Code of Federal Regulations, as amended by regulations set forth at 40 FR 14819 (April 28, 1975), 40 FR 48331 (October 14, 1975), and 40 FR 39197 (August 28, 1975). In addition, certain amendments to Parts 2002 and 2003, as amended by regulations appearing at 40 FR 39197, are promulgated in order to conform those Parts to the new Part 2007, and to add the Council on International Economic Policy as a member of the Trade Policy Staff Committee (TPSC) and the Trade Policy Committee Review Group (TPRG).

The regulations set forth below are procedural in nature, and hence, are exempt from the requirements of 5 U.S.C. 553. Accordingly, the regulations are final as published herein. The Office of the Special Representative for Trade Negotiations (hereinafter, "STR") nevertheless, invites comments on the regulations on or before January 31, 1976, and will consider carefully any comments received.

Pursuant to section 8 of E.O. 11846, the STR, in consultation with the Secretary of State, is responsible for the administration of the GSP.

Articles that are eligible for duty-free treatment under the GSP are designated by the President by Executive order upon the advice of the Trade Policy Committee (TPC) as transmitted through its Chairman, the Special Representative for Trade Negotiations (hereinafter, "the Special Representative"). In addition to the Special Representative, the TPC is composed of the Secretaries of Agriculture, Commerce, Defense, Interior, Labor, State, Treasury, the Attorney General, the Assistant to the President for Economic Affairs, and the Executive Director of the Council on International Economic Policy. The TPC was created by section 3 of Executive Order 11846, of March 27, 1975 (40 FR 14291). Subordinate bodies of the TPC, the TPRG and the TPSC were created by regulations which appeared in 40 FR 14819 (April 28, 1975), and which are codified at 15 CFR Chapter XX, Sections 2002.1 and 2002.2 respectively.

#### PART 2002—OPERATION OF COMMITTEES

1. Part 2002—Operation of Committees is hereby amended as follows:

##### § 2002.1 [Amended]

a. Section 2002.1(a) is amended to delete the period at the end of the second sentence of that paragraph, and to add to the end of that sentence the following: ", and the Executive Director of the Council on International Economic Policy", so that the sentence reads: The Review Group consists of a Deputy Special Representative, designated by the Special Representative, as chairman, and of high level officials designated from their respective agencies or offices by the Secretaries of Agriculture, Commerce, Defense, Interior, Labor, State and Treasury, and the Executive Director of the Council on International Economic Policy.

##### § 2002.2 [Amended]

b. Section 2002.2(a) is amended by adding, after the word "Treasury" in the second sentence of that section, the words ", by the Executive Director of the Council on International Economic Policy," so that the sentence reads: The Committee consists of a chairman designated by the Special Representative from his Office, and of senior trade policy staff

officials designated from their respective agencies or offices by the Secretaries of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, by the Executive Director of the Council on International Economic Policy, and by the Chairman of the International Trade Commission.

c. Section 2002.2(b) (1) is amended by deleting the number "7" from the second clause, and by inserting in place thereof the number "8", so that the section reads: "(1) monitors the trade agreements program, reviews the information received pursuant to subparagraphs 2 through 8 below . . . ."

d. Sections 2002.2(b) (8) and (9) are redesignated as Sections (9) and (10), respectively.

e. A new Section 2002.2(b) (8) is added to read as follows:

**§ 2002.2 Trade Policy Staff Committee.**

. . . . .

(b) . . . . .

(8) Receives and reviews requests pertaining to the duty-free treatment accorded to articles under the Generalized System of Preferences, and handles such requests and reviews in accordance with Part 2007 of these regulations;

. . . . .

**PART 2003—REGULATIONS OF TRADE POLICY STAFF COMMITTEE**

2. Part 2003 is amended as follows:

f. Section 2003.1(b), as redesignated by amendments appearing at 40 FR 39197, is redesignated as § 2003.1(c), and a new § 2003.1(b) is added to read as follows:

**§ 2003.1 Notice of Public Hearings.**

. . . . .

(b) Whenever the Special Representative or the Deputy Special Representative determines that public hearings in connection with the review of a request submitted pursuant to Part 2007 of these regulations, pertaining to the duty-free treatment accorded to articles under the GSP, are in the public interest.

. . . . .

g. Part 2007 is added to read as follows:

**PART 2007—REVIEWS PERTAINING TO ELIGIBILITY OF ARTICLES FOR THE GENERALIZED SYSTEM OF PREFERENCES**

**Sec.**

2007.0 Requests for reviews.

2007.1 Information required in requests.

2007.2 Adequacy of requests.

2007.3 Publication regarding requests.

2007.4 Action following receipt of requests.

2007.5 Written briefs and oral testimony.

2007.6 Information open to public inspection.

2007.7 Information exempt from public inspection.

2007.8 Other reviews of article eligibilities.

**AUTHORITY:** 19 U.S.C. 2461-2465, 88 Stat. 2066-2071; E.O. 11846 of March 27, 1975, 40 FR 14291, March 31, 1975

**§ 2007.0 Requests for reviews.**

(a) An interested party may submit a request (1) that additional articles be designated as eligible for the GSP; or (2) that the duty-free treatment accorded to eligible articles under the GSP be withdrawn, suspended or limited.

(b) An interested party is defined as a party who has a significant economic interest in the subject matter of the request, such as a domestic producer of a like or directly competitive article, a commercial importer of an article which is eligible for the GSP, or for which such eligibility is requested, or any other person representing a significant economic interest that would be materially affected by the action requested.

(c) All requests should be submitted in 20 copies, and should be addressed to: Chairman, Trade Policy Staff Committee, Office of the Special Representative for Trade Negotiations, Room 729, 1800 G Street, NW., Washington, D.C. 20507.

**§ 2007.1 Information required in requests.**

(a) A request submitted pursuant to this part shall state clearly on the first page that it is a request for action with respect to the provision of duty-free treatment for an article or articles under the GSP, and shall contain the following information:

(1) The name of the petitioner, the person, firm or association represented by the petitioner, and a brief description of the interest of the petitioner affected by the GSP;

(2) Identification of the product or products of interest to the petitioner, both by description and by item number of the Tariff Schedules of the United States;

(3) A description of the action requested, together with a statement of the reasons therefor and supporting information, and a statement of whether the reasoning and information has been presented to the TPSC previously by the person making the request;

(4) If the action requested is the designation of an additional article or articles as eligible for the GSP, a statement of why such article or articles should be so designated, together with information relevant to the import-sensitivity of the article in the context of the GSP.

(5) If the action requested is the withdrawal, suspension, or limitation of duty-free treatment accorded under the GSP to an eligible article or articles, information sufficient to show (i) why the article(s) should be determined to be import-sensitive in the context of the GSP, and (ii) which beneficiary developing country's or countries' exports cause the article to be import-sensitive in the context of the GSP; and a statement of whether the person making the request has filed or is filing for other forms of relief under the Trade Act or any other provision of law.

(6) Any other material relevant to the request.

(7) The Chairman of the TPSC may request additional information or clarifications from persons submitting requests.

(b) (1) In considering whether to recommend the designation of additional articles as eligible for the GSP, or the withdrawal, suspension, or limitation of the duty-free treatment accorded to eligible articles under the GSP, the TPSC, the TPRG, or the TPC shall review relevant economic factors indicating the economic effect that such action would have, including the effect upon United States producers of like or directly competitive articles and upon consumers.

(2) If, on the basis of a review described in (1), the appropriate inter-agency committee considers that the article is or would be import-sensitive in the context of the GSP, then:

(i) If the article has not been designated already as eligible for the GSP, it shall not be recommended for such des-

ignation, or it may be recommended for such designation with limits upon the duty-free treatment accorded under the GSP which assure that the article will not be import-sensitive in the context of the GSP; or

(ii) If the article has been designated already as an article eligible for the GSP, it shall be recommended that the duty-free treatment under the GSP shall be withdrawn, suspended, or limited so as to assure that the article no longer is import-sensitive in the context of the GSP.

#### § 2007.2 Adequacy of request.

If the request does not conform substantially to the requirements set forth above, the Chairman of the TPSC may return the communication to the person who submitted it, with a written statement of the reasons why it was found not to conform, or he may determine that there is sufficient information on which to proceed.

#### § 2007.3 Publication regarding requests.

Whenever a request is received that conforms to these regulations or that is accepted pursuant to section 2007.2, the Chairman of the TPSC shall publish in the FEDERAL REGISTER a statement of the fact that the request has been received, the TSUS item number or numbers of the article or articles covered by the request, the name of the party submitting the request, and an invitation for all interested parties to submit their views to the TPSC.

#### § 2007.4 Action following receipt of requests.

(a) The TPSC shall review requests submitted and accepted under this Part. Requests may be accumulated in order to permit a number of such requests to be reviewed at the same time. Requests which indicate the existence of unusual circumstances warranting an immediate review may be reviewed separately. Reviews of pending requests shall be conducted at least once each six months.

(b) In conducting reviews, the TPSC may hold public hearings, or utilize advice of the U.S. International Trade Commission (pursuant to sections 503 and 131 of the Trade Act, or pursuant to a request under 19 U.S.C. 1332(g)), whenever such hearings, or advice is required by law or is deemed by the Special Representative or the Deputy

Special Representative to be in the public interest.

(c) The TPSC shall report the results of its review to the Deputy Special Representative and the Special Representative, who may convene the appropriate committees, which may include the TPC, with a view to the possible recommendation of action to the President.

(d) Whenever following a review, there is to be no change in the status of an article with respect to the GSP, the party submitting a request with respect to such article, shall be so notified, and a statement of the decision shall be published in the **FEDERAL REGISTER**.

**§ 2007.5 Written briefs and oral testimony.**

Sections 2003.2 and 2003.4 of these regulations shall be applicable to the submission of any written briefs or requests to present oral testimony in connection with a review under this Part.

**§ 2007.6 Information open to public inspection.**

With the exception of information subject to § 2007.8, an interested person may, upon request, inspect at the office of the TPSC:

(a) Any written request, brief, or similar submission of information made pursuant to this Subpart; and

(b) Any stenographic record of any public hearing which may be held pursuant to this Subpart.

**§ 2007.7 Information exempt from public inspection.**

(a) The Chairman of the TPSC shall exempt from public inspection information submitted in confidence, if he determines that the disclosure of such information is not required by law.

(b) A party requesting that the Chairman of the TPSC exempt from public inspection information submitted in writing shall clearly mark each page "Submitted in Confidence" at the top, and shall submit a non-confidential

summary of the confidential information. Such person shall also provide the Chairman of the TPSC with a written explanation of why the material should be so protected.

(c) The Chairman of the TPSC may deny a request that he exempt from public inspection any particular information, if he determines such information is not entitled to exemption under law. In the event of such a denial, the information will be returned to the person who submitted it, with a statement of the reasons for the denial.

**§ 2007.8 Other reviews of article eligibilities.**

(a) As soon after the beginning of each calendar year as relevant trade data for the preceding calendar year is available, the TPSC shall consider modifications of the GSP that may be required by section 504(c) of the Trade Act.

(b) The TPSC may, on its own motion, conduct reviews for the possible designation of additional articles as eligible for the GSP, or the possible withdrawal, suspension, or limitation of duty-free treatment accorded under the GSP.

(c) The TPSC shall report the results of reviews conducted pursuant to paragraphs (a) and (b) above to the TPRG and the TPC, and the Special Representative as Chairman of the TPC shall recommend to the President any action that is considered to be required or warranted. Action required to comply with the provisions of section 504(c) shall be taken not later than 60 days after the close of each calendar year.

(d) The STR shall prepare any documents that are necessary to carry out action recommended under this Part.

**FREDERICK B. DENT,**  
*Special Representative*  
*for Trade Negotiations.*

[FR Doc.75-35169 Filed 12-30-75; 8:45 am]



**Title 19—Customs Duties**  
**CHAPTER 1—UNITED STATES CUSTOMS**  
**SERVICE, DEPARTMENT OF THE TREAS-**  
**URY**

[T.D. 76-2]

**PART 10—ARTICLES CONDITIONALLY**  
**FREE, SUBJECT TO A REDUCED RATE,**  
**ETC.**

**Duty-Free Entry of Certain Merchandise**  
**From Designated Beneficiary Developing**  
**Countries**

Title V of the Trade Act of 1974 (Pub. L. 93-618, 88 Stat. 1978), hereinafter referred to as the "Trade Act", authorizes the President to establish a Generalized System of Preferences (GSP) which would permit the duty-free entry of eligible merchandise arriving directly from designated "beneficiary developing countries." Section 503(b) of the Trade Act, relating to the requirements which must be met for eligible merchandise to receive duty-free treatment, authorizes the Secretary of the Treasury to prescribe such regulations as may be necessary to carry out the provisions of that subsection.

In accordance with sections 503(a) and 131(a) of the Trade Act, a notice by the President was published in the FEDERAL REGISTER on March 26, 1975 (40 FR 13456), listing the articles which will be considered for designation as eligible articles for purposes of the Generalized System of Preferences. The notice also included a list of countries which were designated by Executive Order 11844 of March 24, 1975 (40 FR 13295), pursuant to sections 502(a)(1) and 503(a) of the Trade Act, as beneficiary developing countries and countries under consideration for designation as beneficiary developing countries.

In order to designate additional beneficiary developing countries and eligible articles, and to implement the Generalized System of Preferences, the President signed Executive Order 11888 on November 24, 1975. This Executive Order, which was published in the FEDERAL REGISTER on November 26, 1975 (40 FR 55276), superseded Executive Order 11844 of March 24, 1975.

On October 28, 1975, a notice of proposed rulemaking was published in the FEDERAL REGISTER (40 FR 50045) by the U.S. Customs Service, Department of the Treasury, which proposed to amend Part 10 of the Customs Regulations (19 CFR Part 10), by establishing a procedure for the duty-free entry of certain merchan-

dise from designated beneficiary developing countries.

The amendments to Part 10 of the Customs Regulations set forth requirements and procedures for the free entry of eligible merchandise from beneficiary developing countries. The amendments would require the submission of evidence of the country of origin and, if it is determined to be necessary by the appropriate district director of Customs, proof that the merchandise was imported directly from the beneficiary developing country. If the district director is satisfied from other evidence that the merchandise clearly qualifies for duty-free treatment under the Generalized System of Preferences, he would be authorized to waive production of proof of direct shipment.

The amendments further provide that eligible merchandise may qualify for duty-free entry under the Generalized System of Preferences only if the sum of the cost or value of the materials produced in the beneficiary developing country plus the direct costs of processing operations performed there are at least 35 percent of the final appraised value of the merchandise. In the case of eligible merchandise produced by 2 or more countries which are members of an association of countries treated as one country under section 502(a)(3) of the Trade Act, the percentage of the cost or value of the materials produced in those countries plus the direct costs of processing operations performed there must be at least 50 percent of the final appraised value. The amendments also explained the procedure used in computing the cost or value of materials and the direct costs of processing operations.

Interested persons were given until November 28, 1975, to submit relevant data, views, or arguments regarding the proposals set forth in the notice of proposed rulemaking. After consideration of the comments received, the following changes were made to the proposals:

1. Proposed § 10.172 is amended to provide that a written claim for duty-free entry shall be filed on the entry document by placing the symbol "A" as a prefix to the Tariff Schedules of the United States Annotated item number for each article for which such treatment is claimed.

2. Proposed § 10.173(a)(1) is amended by the addition of the title "the Generalized System of Preferences" to the Certificate of Origin Form A. The section is further amended to provide that the

Certificate of Origin must be properly completed. However, inasmuch as the instructions on the form are incorrect, the phrase "in accordance with the instructions provided on the form", has been deleted. Additional instructions are to be issued to each of the beneficiary developing countries for the completion of Form A.

3. Proposed § 10.173(a) (3) is amended by deleting the requirement for redelivery of the merchandise for failure to furnish the Certificate of Origin within 60 days after entry, or such additional period as the district director may allow for good cause shown.

4. Proposed § 10.173(a) (5) is amended to provide that the district director may waive production of a Certificate of Origin in the case of articles for personal or household use which are not intended for resale or brought in for the account of others, and in other cases until March 31, 1976, when he is otherwise satisfied that the merchandise qualifies for duty-free entry under the Generalized System of Preferences.

5. Proposed § 10.175 has been amended by the addition of a new paragraph (c) to the definition of "Imported directly", to allow, under certain conditions, eligible articles to qualify for treatment under GSP where they have been introduced into a free trade zone in a beneficiary developing country.

6. Proposed § 10.177(c) (2) is amended by providing that the formula used for determining the cost or value of material which is provided to the manufacturer without charge shall also apply where the material is provided at less than fair market value.

In addition to the above changes, a number of editorial corrections have been made in the text of the provisions originally proposed.

Accordingly, Part 10 of the Customs Regulations (19 CFR Part 10) is amended by adding a new centerhead and §§ 10.171 through 10.178 to read as set forth below.

Executive Order 11888 dated November 24, 1975, which was published by the President in the FEDERAL REGISTER on November 26, 1975 (40 FR 55276), provided that the implementation of the Generalized System of Preferences shall be effective on January 1, 1976. In addition, it is desirable to make the benefits of this system available to the public as soon as possible. Therefore, good cause is found for dispensing with the delayed

effective date provision of 5 U.S.C. 553(d).

*Effective date.* These amendments shall be effective with respect to articles that are both (1) imported, and (2) (a) entered for consumption or (b) withdrawn for consumption on or after January 1, 1976.

LEONARD LEHMAN,  
*Acting Commissioner of Customs.*

Approved: December 23, 1975. -

DAVID R. MACDONALD,  
*Assistant Secretary of the Treasury.*

Part 10 of the Customs Regulations (19 CFR Part 10) is amended by the insertion of a new centerheading and §§ 10.171 through 10.178 to read as follows:

#### GENERALIZED SYSTEM OF PREFERENCES

##### § 10.171 General.

(a) *Statutory authority.* Title V of the Trade Act of 1974 (19 U.S.C. 2461-2465) authorizes the President to establish a Generalized System of Preferences (GSP) to provide duty-free treatment for eligible articles imported directly from designated beneficiary developing countries. Beneficiary developing countries and articles eligible for duty-free treatment are designated by the President by Executive order in accordance with sections 502(a)(1) and 503(a) of the Trade Act of 1974 (19 U.S.C. 2462(a)(1), 2463(a)).

(b) *Country defined.* For purposes of §§ 10.171 through 10.178, except as otherwise provided in § 10.176(a), the term "country" means any foreign country, any overseas dependent territory or possession of a foreign country, or the Trust Territory of the Pacific Islands. In the case of an association of countries which is a free trade area or customs union, the President may by Executive order provide that all members of such association other than members which are barred from designation under section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462 (b)) shall be treated as one country for purposes of §§ 10.171 through 10.178.

##### § 10.172. Claim for exemption from duty under the Generalized System of Preferences.

A claim for an exemption from duty on the ground that the Generalized System of Preferences applies shall be allowed by the appropriate district director only

if he is satisfied that the requirements set forth in this section and sections 10.173 through 10.178 have been met. A written claim for duty-free entry shall be filed on the entry document by placing the symbol "A" as a prefix to the Tariff Schedules of the United States Annotated item number for each article for which such treatment is claimed.

**§ 10.173 Evidence of the country of origin.**

(a) *Shipments valued in excess of \$250.*—(1) *Certificate of Origin.* Except as provided in paragraph (a) (5) of this section, the importer or consignee of a shipment of eligible merchandise valued in excess of \$250 shall file with the district director at the time of entry the Generalized System of Preferences Certificate of Origin Form A, as evidence of the country of origin. Form A shall be signed by the exporter of the merchandise in the country from which it is directly imported, certified by the designated governmental authority in that country, and properly completed.

(2) *Duplicate Certificate of Origin.* In the event of the loss, theft, or destruction of a Certificate of Origin, the district director will accept at the time of entry a duplicate Certificate of Origin issued by the appropriate governmental body in the country of origin and endorsed with the word "duplicate" in box 4. The duplicate shall bear the date of issue of the original Certificate of Origin and will be effective from that date.

(3) *Release under bond.* If the required Certificate of Origin properly completed, or a duplicate thereof as described in subparagraph (2) of this paragraph, is not produced at the time of entry, the entry shall be accepted, subject to compliance with the requirements set forth in § 10.172 and §§ 10.174 through 10.178, only if the importer or consignee gives a bond on Customs Form 7551, 7553, or 7595 for the production of the Certificate of Origin. The bond shall be in the amount required under § 113.14 of this chapter. Within 60 days after such entry, or such additional period as the district director may allow for good cause shown, the importer or consignee shall deliver to the district director the Certificate of Origin. If the Certificate of Origin is not delivered to the district director within 60 days of the date of entry or such additional period as may be allowed by the district director for good cause shown, liquidated damages shall be assessed in

the full amount of the bond given on Customs Form 7551. When the transaction has been charged against a bond given on Customs Form 7553 or 7595, liquidated damages shall be assessed in the amount that would have been demanded under the preceding sentence if the merchandise had been released under a bond given on Customs Form 7551.

(4) *Verification of evidence.* Evidence of the country of origin required under this paragraph shall be subject to such verification as the district director deems necessary.

(5) *Waiver of Certificate of Origin.*

(i) The district director may waive production of a Certificate of Origin only in the case of articles for personal or household use which are not intended for resale or brought in for the account of others, when he is otherwise satisfied that the merchandise qualifies for duty-free entry under the Generalized System of Preferences.

(ii) Until March 31, 1976, the district director may waive production of a Certificate of Origin when he is otherwise satisfied that the merchandise qualifies for duty-free entry under the Generalized System of Preferences.

(b) *Shipments valued at \$250 or less.* Although the filing of a Certificate of Origin, is not required for shipments valued at \$250 or less, the district director may require such other evidence of the country of origin as he deems necessary.

**§ 10.174 Evidence of direct shipment.**

(a) *Documents constituting evidence of direct shipment.* The district director may require that appropriate shipping papers, invoices, or other documents be submitted within 60 days of the date of entry as evidence that the articles were "imported directly", as that term is defined in section 10.175. Any evidence of direct shipment required by the district director shall be subject to such verification as he deems necessary.

(b) *Waiver of evidence of direct shipment.* The district director may waive the submission of evidence of direct shipment when he is otherwise satisfied, taking into consideration the kind and value of the merchandise, that the merchandise clearly qualifies for treatment under the Generalized System of Preferences.

**§ 10.175 Imported directly defined.**

Eligible articles shall be imported directly from a beneficiary developing

country to qualify for treatment under the Generalized System of Preferences. For purposes of §§ 10.171 through 10.178 the words "imported directly" mean:

(a) Direct shipment from the beneficiary country to the United States without passing through the territory of any other country; or

(b) Except as provided in paragraph (c) of this section, if shipped from a beneficiary developing country to the United States through the territory of any other country, the merchandise shall not have entered into the commerce of any other country while en route to the United States, and the invoices, bills of lading, and other documents connected with the shipment shall show the United States as the final destination; or

(c) If shipped from the beneficiary developing country to the United States through a free trade zone in a beneficiary developing country, the merchandise shall not enter into the commerce of the country maintaining the free trade zone, and

(1) The eligible articles must not undergo any operation other than:

(i) Sorting, grading, or testing.

(ii) Packing, unpacking, changes of packing, decanting or repacking into other containers,

(iii) Affixing marks, labels, or other like distinguishing signs on articles or their packing, if incidental to operations allowed under this section, or

(iv) Operations necessary to ensure the preservation of merchandise in its condition as introduced into the free trade zone.

(2) Merchandise may be purchased and resold, other than at retail, for export within the free trade zone.

(3) The Certificate of Origin issued by the designated beneficiary developing country of origin shall state in column 12, that the eligible articles comply with the origin requirements for goods exported to the United States under the Generalized System of Preferences. Column 2 of the Certificate of Origin shall include the name of the consignee in the United States or in the free trade zone.

(4) The certifying authority in the designated beneficiary developing country maintaining the free trade zone shall issue a Certificate of Origin Form A, declaring what operations were performed within the free trade zone. The original Certificate of Origin issued in the beneficiary developing country of origin shall be retained by the designated authority in the country maintaining the

free trade zone and a copy thereof shall be furnished to the United States importer.

(5) For the purposes of this section, a free trade zone is a predetermined area or region declared and secured by or under governmental authority, where certain operations may be performed with respect to articles, without such articles having entered into the commerce of the country maintaining the free trade zone.

#### § 10.176 Country of origin criteria.

(a) *Merchandise produced in one beneficiary developing country.* Merchandise which is the growth, product, manufacture, or assembly of a beneficiary developing country and which is imported directly from such beneficiary developing country may qualify for duty-free entry under the Generalized System of Preferences only if the sum of the cost or value of the materials produced in the beneficiary developing country, plus the direct costs of processing operations performed in such country, is not less than 35 percent of the value of the article as appraised in accordance with section 402 or 402a, Tariff Act of 1930, as amended (19 U.S.C. 1401a, 1402). For purposes of this paragraph, the term "country" does not include an association of countries which is treated as one country under § 10.171(b), but does include a country which is a member of any such association.

(b) *Merchandise produced in two or more countries which are members of an association.* Merchandise which is the growth, product, manufacture, or assembly of two or more countries which are members of an association of countries treated as one country under section 502(a) (3) of the Trade Act of 1974 (19 U.S.C. 2462(a) (3)) and § 10.171(b), and which is imported directly from a member country, may qualify for duty-free treatment under the Generalized System of Preferences only if the sum of the cost or value of the materials produced in such countries, plus the direct costs of processing operations performed in such countries, is not less than 50 percent of the value of the article as appraised in accordance with section 402 or 402a, Tariff Act of 1930, as amended (19 U.S.C. 1401a, 1402).

(c) *Merchandise grown, produced, or manufactured in a beneficiary developing country.* Merchandise which is wholly the growth, product, or manufacture of a beneficiary developing country, or an

association of countries treated as one country under section 502(a)(3) of the Trade Act of 1974 (19 U.S.C. 2462(a)(3)) and § 10.171(b), and manufactured products consisting of materials produced only in such country or countries, shall normally be presumed to meet the requirements set forth in this section.

§ 10.177 Cost or value of materials produced in the beneficiary developing country.

(a) *"Produced in the beneficiary developing country" defined.* For purposes of §§ 10.171 through 10.178, the words produced in the beneficiary developing "country" refer to the constituent materials of which the eligible article is composed which are either:

(1) Wholly the growth, product, or manufacture of the beneficiary developing country; or

(2) Substantially transformed in the beneficiary developing country into a new and different article of commerce.

(b) *Questionable origin.* When the origin of an article either is not ascertainable or not satisfactorily demonstrated to the appropriate district director, the article shall not be considered to have been produced in the beneficiary developing country.

(c) *Determination of cost or value of materials produced in the beneficiary developing country.*

(1) The cost or value of materials produced in the beneficiary developing country includes:

(i) The manufacturer's actual cost for the materials;

(ii) When not included in the manufacturer's actual cost for the materials, the freight, insurance, packing, and all other costs incurred in transporting the materials to the manufacturer's plant;

(iii) The actual cost of waste or spoilage (material list), less the value of recoverable scrap; and

(iv) Taxes and/or duties imposed on the materials by the beneficiary developing country, or an association of countries treated as one country, provided they are not remitted upon exportation.

(2) Where the material is provided to the manufacturer without charge, or at less than fair market value, its cost or value shall be determined by computing the sum of:

(i) All expenses incurred in the growth, production, manufacture or assembly of the material, including general expenses;

(ii) An amount for profit; and

(iii) Freight, insurance, packing, and all other costs incurred in transporting the materials to the manufacturer's plant.

If the pertinent information needed to compute the cost or value of the materials is not available, the appraising officer may ascertain or estimate the value thereof using all reasonable ways, and means at his disposal.

§ 10.178 Direct costs of processing operations performed in the beneficiary developing country.

(a) *Items included in the direct costs of processing operations.* As used in § 10.176, the words "direct costs of processing operations" mean those costs either directly incurred in, or which can be reasonably allocated to, the growth, production, manufacture, or assembly of the specific merchandise under consideration. Such costs include, but are not limited to:

(1) All actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training, and the cost of engineering, supervisory, quality control, and similar personnel;

(2) Dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise;

(3) Research, development, design, engineering, and blueprint costs insofar as they are allocable to the specific merchandise; and

(4) Costs of inspecting and testing the specific merchandise.

(b) *Items not included in the direct costs of processing operations.* Those items which are not included within the meaning of the words "direct costs of processing operations" are those which are not directly attributable to the merchandise under consideration or are not "costs" of manufacturing the product. These include, but are not limited to:

(1) Profit; and

(2) General expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions, or expenses.

(R.S. 251, as amended, sec. 624, 46 Stat. 759, sec. 503(b), 88 Stat. 2069 (19 U.S.C. 66, 1624, 2463(b))

[FR Doc.75-35095 Filed 12-30-75;8:45 am]

NOTICE OF ACTIONS PROPOSED TO BE TAKEN  
UNDER THE TRADE ACT OF 1974

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COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

ACTIONS PROPOSED TO BE TAKEN UNDER THE TRADE  
ACT OF 1974



JANUARY 14, 1975.—Referred to the Committee on Ways and Means  
and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

38-011

WASHINGTON : 1975

**THE WHITE HOUSE,**  
*Washington, D.C., January 13, 1975.*

**HON. CARL ALBERT,**  
*Speaker of the House of Representatives,*  
*Washington, D.C.*

**DEAR MR. SPEAKER:** In accordance with section 502(a) of the Trade Act of 1974, I herewith notify the House of Representatives of my intention to issue an Executive order to designate certain countries as beneficiary developing countries for purposes of the Generalized System of Preferences contained in Title V of the Trade Act. I am proposing to designate the countries listed in Attachment A to this letter.

In addition, I am proposing to publish and submit to the International Trade Commission, together with this Executive order, a list of countries which can only be designated after certain determinations are made or procedures followed. This list is set forth at Tab B to this letter.

The list of intended beneficiary developing countries at Tab A, and the list of countries which may eventually be so designated at Tab B are intended to be as comprehensive as possible, in order to provide the International Trade Commission with the broadest possible basis for preparing the advice required of it by section 131(b) of the Trade Act. Accordingly, not every country listed will necessarily receive preferential treatment. There will be a careful review of the beneficiary country lists before the Generalized System of Preferences is implemented.

The considerations which entered into my decisions with respect to the countries listed at Tab A were the following:

1. The expressions of the desires of these countries to be designated as beneficiaries.

2. The level of economic development of the countries, including their per capita gross national product, the general living standards of their populations, the levels of health, nutrition, education, and housing of their populations, and their degrees of industrialization.

3. Whether or not other major developed countries are extending generalized preferential tariff treatment to such countries.

4. The extent to which such countries have assured the United States that they will provide the United States with equitable and reasonable access to their markets.

5. The legislative history of the Trade Act, including the Reports of the House Ways and Means Committee and the Senate Finance Committee on the Trade Act.

Additional considerations entered into my decisions with respect to countries listed at Tab A which provide preferential treatment to products imported from certain developed countries. In these cases, it has been determined that such preferential treatment will not render these countries ineligible for preferences because one or both of the following conditions apply:

1. The preferential treatment granted by the designated country does not have or is not likely to have a significant adverse effect on U.S. commerce; and/or

2. I have received satisfactory assurances that these preferences will be eliminated by January 1, 1976.

Other countries may be prevented from receiving beneficiary status but for the authority which I am granted by section 502 to waive the provisions of section 502 (b) (4), (5), and (6), for reasons of national economic interest. I have decided to exercise this waiver authority for all countries to which it applies. It is in the national economic interest to do so at this time in order to allow the International Trade Commission to take into account all prospective beneficiaries when evaluating the domestic economic effects of granting generalized preferential treatment. Sufficient information is not yet available to determine whether any country covered by this waiver subsequently will be excluded, and to single them out for non-designation before the information was available to make a determination would be prejudicial and not facilitate the attainment of the objectives of the Trade Act. Such information will be available and will be taken into account before a decision is made to deny duty-free preferential treatment under the provisions of Title V of the Trade Act.

The procedures specified in this letter are designed to allow the designation and listing of as many countries as possible for purposes of receiving advice from the International Trade Commission without creating final commitments with respect to which countries ultimately will receive preferences after implementation of the scheme. The procedures are consistent with the provisions of the Trade Act, and were discussed with the Conference Committee on the Trade Act. These procedures also allow prompt commencement of the process for implementing the provisions of Title V in ways to facilitate the objectives of the Trade Act. Finally, the procedures will allow the International Trade Commission to carry out certain of the requirements of sections 131, 132, 133, and 134 together for the public list and for the GSP list, thereby avoiding needless duplication.

Sincerely,

GERALD R. FORD.



## GENERALIZED SYSTEM OF PREFERENCES—BENEFICIARY COUNTRIES

Afghanistan	Malagasy Republic
Argentina	Malawi
Bahamas	Malaysia
Bahrain	Maldives Islands
Bangladesh	Mali
Barbados	Malta
Bhutan	Mauritania
Bolivia	Mauritius
Botswana	Mexico
Brazil	Morocco
Burma	Nauru
Burundi	Nepal
Cameroon	Nicaragua
Central African Republic	Niger
Chad	Oman
Chile	Pakistan
Colombia	Panama
Congo (Brazzaville)	Paraguay
Costa Rica	Peru
Dahomey	Philippines
Dominican Republic	Rwanda
Egypt	Senegal
El Salvador	Sierra Leone
Equatorial Guinea	Singapore
Ethiopia	Somalia
Fiji	South Yemen
Gabon	Sri Lanka (Ceylon)
Gambia	Sudan
Ghana	Swaziland
Grenada	Syria
Guatemala	Taiwan
Guinea	Tanzania
Guinea Bissau	Thailand
Guyana	Togo
Haiti	Tonga
Honduras	Trinidad and Tobago
India	Tunisia
Ivory Coast	Uganda
Jamaica	Upper Volta
Jordan	Uruguay
Kenya	Vietnam (South)
Khmer Republic	Western Samoa
Korea, Republic of	Yemen
Laos	Yugoslavia
Lebanon	Zaire
Lesotho	Zambia
Liberia	

TERRITORIES FOR WHOSE EXTERNAL RELATIONS ANOTHER COUNTRY IS  
RESPONSIBLE

Afars and Issas (Territory of the)  
 Angola (including Cabinda)  
 Australian Antarctic Territory  
 Belize  
 Bermuda  
 British Antarctic Territory  
 British Indian Ocean Territory (Aldabra, Farquhar, Chagos Archipelago, Des Roches)  
 British Pacific Ocean (Gilbert and Ellice Islands, British Solomon Islands, New Hebrides Condominium, Pitcairn Islands)  
 Brunei  
 Cape Verde Islands  
 Cayman Island and Dependencies  
 Comoro Archipelago  
 Cook Islands  
 Corn Islands and Swan Islands  
 Falkland Islands (Malvinas) and Dependencies  
 French Polynesia  
 French Southern and Antarctic Territories  
 Gibraltar  
 Heard Island and McDonald Islands  
 Macao  
 Mozambique  
 Netherland Antilles  
 New Caledonia and Dependencies  
 New Guinea (Australian) and Papua  
 Norfolk Islands  
 Portuguese Guinea  
 Portuguese Timor  
 St. Helena (including Ascension, Gough Island and Tristan de Cunha)  
 Saint Pierre and Miquelon  
 Sao Tome and Principe  
 Seychelles (including Amirantes)  
 Sikkim  
 Spanish North Africa: Sahara (Rio de Oro) Saghiet-el-Hamra  
 Surinam  
 Territories for which New Zealand is responsible (Cook Islands, Niue Island, Tokelau Islands and Ross Dependency)  
 Turks and Caicos Islands  
 The Trust Territory of the Pacific Islands  
 Wallis and Futuna Islands  
 West Indies—Leeward Islands (Antigua, Montserrat, St. Kitts-Nevis-Anguilla, and British Virgin Islands) and Windward Islands (Dominica, Grenada, St. Lucia, and St. Vincent)

## GENERALIZED SYSTEM OF PREFERENCES--POTENTIALLY ELIGIBLE COUNTRIES

Algeria	Libya
Cyprus	Nigeria
Ecuador	Portugal
Greece	Romania
Hong Kong	Qatar
Indonesia	Saudi Arabia
Iran	Spain
Iraq	Turkey
Israel	United Arab Emirates
Kuwait	Venezuela

DETERMINING THAT CERTAIN COUNTRIES ARE TAKING STEPS TO DISCHARGE THEIR OBLIGATIONS UNDER INTERNATIONAL LAW TO RESOLVE INVESTMENT DISPUTES, PURSUANT TO SECTION 502 (b) (4) OF THE TRADE ACT OF 1974, TOGETHER WITH AN EXECUTIVE ORDER DESIGNATING BENEFICIARY DEVELOPING COUNTRIES FOR PURPOSES OF THE GENERALIZED SYSTEM OF PREFERENCES AUTHORIZED BY TITLE V OF THE ACT, AND IDENTIFYING OTHER COUNTRIES AS UNDER CONSIDERATION FOR SUCH DESIGNATION, PURSUANT TO SECTION 502(a) (1) OF THE ACT

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## COMMUNICATION

FROM

## THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

HIS DETERMINATION THAT CERTAIN COUNTRIES ARE TAKING STEPS TO DISCHARGE THEIR OBLIGATIONS UNDER INTERNATIONAL LAW TO RESOLVE INVESTMENT DISPUTES, PURSUANT TO SECTION 502 (b) (4) OF THE TRADE ACT OF 1974, TOGETHER WITH AN EXECUTIVE ORDER DESIGNATING BENEFICIARY DEVELOPING COUNTRIES FOR PURPOSES OF THE GENERALIZED SYSTEM OF PREFERENCES AUTHORIZED BY TITLE V OF THE ACT, AND IDENTIFYING OTHER COUNTRIES AS UNDER CONSIDERATION FOR SUCH DESIGNATION, PURSUANT TO SECTION 502(a) (1) OF THE ACT

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MARCH 24, 1975.—Referred to the Committee on Ways and Means and ordered to be printed

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THE WHITE HOUSE,  
Washington, March 24, 1975.

THE HONORABLE THE SPEAKER,  
*U.S. House of Representatives.*  
*Washington, D.C.*

DEAR MR. SPEAKER: In accordance with Section 502(a) of the Trade Act, I wrote to you on January 13, 1975, concerning my intention to make certain designations of countries as beneficiary developing countries for purposes of implementing the generalized system of tariff preferences.

I wish to inform you that today I have issued an Executive order designating certain beneficiary countries. On the basis of an extensive review of all relevant investment disputes which has been completed since my January 13 letter, I have determined that several countries which otherwise might be ineligible for generalized preferences by virtue of the provisions of Section 502(b)(4)(A), (B) or (C), are eligible for beneficiary status by reason of the provisions of Section 502(b)(4)(D). Accordingly, such countries were included among the ones designated in Section 1 of the Executive order as beneficiary developing countries. As required by Section 502(b)(4), I am furnishing herewith a copy of my determinations pursuant to Section 502(b)(4)(D).

Because we were able to make these determinations prior to publication of the Executive order designating certain beneficiary developing countries, it no longer is necessary to follow the procedure for use of the waivers based on national economic interest, described in the sixth paragraph of my letter of January 13. I have also decided that Gabon, The Peoples' Republic of Yemen, Somalia, and Uganda, which were on list A in the Tab to my letter of January 13, will not be designated at this time but will be added to those countries being considered for designation as beneficiary developing countries after certain determinations are made, statutory conditions are met or statutory requirements fulfilled pursuant to Section 502 of the Trade Act.

Sincerely,

GERALD R. FORD.

[Presidential Determination No. 75-11]

THE WHITE HOUSE,  
Washington, March 24, 1975.

#### MEMORANDUM FOR THE SECRETARY OF STATE

Subject: Determination under Section 502(b) of the Trade Act of 1974.

Pursuant to the authority vested in me under the Trade Act of 1974 (hereinafter "the Act"), I hereby determine on the basis of a review conducted by interested agencies of the Executive Branch of each of the relevant investment disputes that, in the case of each country listed below, good faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law, as prescribed in Section 502(b)(4)(D)(ii) of the Act:

Afghanistan	Ethiopia
Argentina	India
Bangladesh	Morocco
Bolivia	Pakistan
Central African Republic	Sri Lanka
Congo (Brazzaville)	Sudan
Dahomey	Syria
Egypt	Tanzania
El Salvador	Zaire

In accordance with Section 502(b) (4) of the Act I am furnishing a copy of this determination to the Senate and House of Representatives.

This Determination shall be published in the *Federal Register*.

GERALD R. FORD.

## EXECUTIVE ORDER

### DESIGNATION OF BENEFICIARY DEVELOPING COUNTRIES FOR THE GENERALIZED SYSTEM OF PREFERENCES UNDER THE TRADE ACT OF 1974

Title V of the Trade Act of 1974, hereinafter referred to as the Act (Public Law 93-618, 88 Stat. 1978), provides for a Generalized System of Preferences by which eligible articles from a beneficiary developing country may be provided duty-free treatment.

The Act authorizes the President to designate a country as a beneficiary developing country if such country meets the qualifications of the Act. Prior thereto, the President is to notify the House of Representatives and the Senate of his intention to make such designations and of the considerations entering into such decisions. I have so notified the House of Representatives and the Senate with respect to the countries listed in this Executive order.

In order to implement the Generalized System of Preferences, the Trade Act requires (1) designation of beneficiary developing countries, (2) publication and transmission to the International Trade Commission of the lists of articles which will be considered for designation as eligible articles for purposes of generalized preferences, and (3) submission by the International Trade Commission of its advice to the President within six months as to the probable economic effect on domestic producers and consumers of implementing generalized preferences for those listed articles.

Concurrently with publication of those listed articles and transmission thereof to the International Trade Commission for its advice as required by the Act, I also intend to ask the Commission to provide its advice, pursuant to Section 332(g) of the Tariff Act of 1930, as amended (19 U.S.C. 1332), with respect to articles of those countries designated and those which are still under consideration for designation as beneficiary developing countries.

The President is authorized to modify at any time the list of beneficiary developing countries designated herein, and for that purpose there shall be a continuing review of the eligibility of countries to be so designated under the provisions of the Act.

Now, therefore, by virtue of the authority vested in me by the Trade Act of 1974, and as President of the United States of America, it is hereby ordered as follows:

Section 1. The following named countries are designated as beneficiary developing countries for purposes of the Generalized System of Preferences authorized by Title V of the Act:

(a) *Those Responsible for Their Own External Relations.*

Afghanistan  
Argentina  
Bahamas

Bahrain  
Bangladesh  
Barbados

Bhutan  
 Bolivia  
 Botswana  
 Brazil  
 Burma  
 Burundi  
 Cameroon  
 Central African Republic  
 Chad  
 Chile  
 Colombia  
 Congo (Brazzaville)  
 Costa Rica  
 Dahomey  
 Dominican Republic  
 Egypt  
 El Salvador  
 Equatorial Guinea  
 Ethiopia  
 Fiji  
 Gambia  
 Ghana  
 Grenada  
 Guatemala  
 Guinea  
 Guinea Bissau  
 Guyana  
 Haiti  
 Honduras  
 India  
 Ivory Coast  
 Jamaica  
 Jordan  
 Kenya  
 Khmer Republic  
 Korea, Republic of  
 Laos  
 Lebanon  
 Lesotho  
 Liberia  
 Malagasy Republic  
 Malawi

Malaysia  
 Maldive Islands  
 Mali  
 Malta  
 Mauritania  
 Mauritius  
 Mexico  
 Morocco  
 Nauru  
 Nepal  
 Nicaragua  
 Niger  
 Oman  
 Pakistan  
 Panama  
 Paraguay  
 Peru  
 Philippines  
 Rwanda  
 Senegal  
 Sierra Leone  
 Singapore  
 Sri Lanka  
 Sudan  
 Swaziland  
 Syria  
 Taiwan  
 Tanzania  
 Thailand  
 Togo  
 Tonga  
 Trinidad and Tobago  
 Tunisia  
 Upper Volta  
 Uruguay  
 Vietnam (South)  
 Western Samoa  
 Yemen Arab Republic  
 Yugoslavia  
 Zaire  
 Zambia

(b) *Those for Whom Another Country is Responsible for Their External Relations.*

Afars and Issas, French Territory of the  
 Angola  
 Anguilla  
 Antigua  
 Belize  
 Bermuda  
 British Indian Ocean Territory  
 British Solomon Islands  
 Brunei

Cape Verde  
 Cayman Islands  
 Comoro Islands  
 Cook Islands  
 Dominica  
 Falkland Islands (Malvinas) and Dependencies  
 French Polynesia  
 Gibraltar  
 Gilbert and Ellice Islands  
 Heard Island and McDonald Islands  
 Macao  
 Montserrat  
 Mozambique  
 Netherlands Antilles  
 New Caledonia  
 New Hebrides Condominium  
 Niue  
 Norfolk Island  
 Papua New Guinea  
 Pitcairn Island  
 Portuguese Timor  
 Saint Christopher-Nevis-Anguilla  
 Saint Helena  
 Saint Lucia  
 Saint Vincent  
 Sao Tome and Principe  
 Seychelles  
 Spanish Sahara  
 Surinam  
 Tokelau Islands  
 Trust Territory of the Pacific Islands  
 Turks and Caicos Islands  
 Virgin Islands, British  
 Wallis and Futuna Islands

Sec. 2. The following named countries are identified as under consideration for designation as beneficiary developing countries in accordance with the criteria set forth in Title V of the Act :

Algeria	Yemen, Peoples' Democratic
Cyprus	Republic of
Ecuador	Portugal
Gabon	Romania
Greece	Qatar
Hong Kong	Saudi Arabia
Indonesia	Somalia
Iran	Spain
Iraq	Turkey
Israel	Uganda
Kuwait	United Arab Emirates
Libya	Venezuela
Nigeria	

GERALD R. FORD.

THE WHITE HOUSE, *March 24, 1975.*





WITHDRAWAL OF DESIGNATION OF KHMER  
REPUBLIC AND VIETNAM (SOUTH) AS  
BENEFICIARY DEVELOPING COUNTRIES

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

NOTICE OF HIS INTENTION TO AMEND EXECUTIVE ORDER  
11844 BY WITHDRAWING THE DESIGNATIONS OF THE  
KHMER REPUBLIC AND VIETNAM (SOUTH) AS BENEFICI-  
ARY DEVELOPING COUNTRIES FOR PURPOSES OF THE  
GENERAL SYSTEM OF PREFERENCES, PURSUANT TO SEC-  
TION 502(a)(2) OF THE TRADE ACT OF 1974



NOVEMBER 3, 1975.—Referred to the Committee on Ways and Means  
and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1975

57-011

THE WHITE HOUSE,  
Washington, October 31, 1975.

The Honorable the SPEAKER,  
U.S. House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: In accordance with the requirements of section 502(a)(2) of the Trade Act of 1974, I herewith notify the House of Representatives of my intention to amend Executive Order 11844 of March 24, 1975, by withdrawing the designations of the Khmer Republic and Vietnam (South) as beneficiary developing countries for purposes of the Generalized System of Preferences.

The considerations which entered into this decision were based upon the provisions of sections 504(b) and 502(b)(1) of the Trade Act. Section 504(b) of that Act states:

"The President shall, after complying with the requirements of section 502(a)(2), withdraw or suspend the designation of any country as a beneficiary developing country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary developing country under section 502(b) ..."

Section 502(b)(1) states:

"... the President shall not designate any country a beneficiary developing country under this section—if such country is a Communist country, unless (A) the products of such country receive nondiscriminatory treatment, (B) such country is a contracting party to the General Agreement on Tariffs and Trade and a member of the International Monetary Fund, and (C) such country is not dominated or controlled by international communism ...".

As a result of changed circumstances, the Khmer Republic and Vietnam (South) would be barred from designation as beneficiary developing countries under section 502(b)(1). Accordingly, their status as beneficiary developing countries will be withdrawn at the earliest possible time, which is required by section 502(a)(2) to be at least 60 days after the date of this notification.

Sincerely,

GERALD R. FORD.

INTENDED DESIGNATION OF BENEFICIARY  
DEVELOPING COUNTRIES AS PROVIDED IN  
THE TRADE ACT

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COMMUNICATION  
FROM  
THE PRESIDENT OF THE UNITED STATES  
TRANSMITTING  
NOTICE OF HIS INTENTION TO DESIGNATE ADDITIONAL  
BENEFICIARY DEVELOPING COUNTRIES AND TERRI-  
TORIES FOR PURPOSES OF THE GENERALIZED SYSTEM  
OF PREFERENCE PROVIDED FOR IN TITLE V OF THE  
TRADE ACT OF 1974, PURSUANT TO SECTION 502(a)(1) OF  
THE ACT



NOVEMBER 11, 1975.—Referred to the Committee on Ways and Means  
and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

57-011

WASHINGTON : 1975

THE WHITE HOUSE,  
Washington, November 10, 1975.

The Honorable the SPEAKER,  
U.S. House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: In accordance with the requirements of Section 502(a) (1) of the Trade Act of 1974, I hereby notify the House of Representatives of my intention to designate additional beneficiary developing countries and territories for purposes of the Generalized System of Preference (the "GSP") provided for in title V of the Trade Act of 1974. This is to be done by amending Executive Order 11844, of March 24, 1975 (enclosed at Tab A), in the manner described below.

The following countries and territories are to be added to the lists of designated GSP beneficiaries set forth in section 1 of E.O. 11844:

Cyprus	Somalia
Hong Kong	Turkey
Israel	Christmas Island (Australia)
Romania	Cocos (Keeling) Islands

My intention to designate each of the countries and territories as GSP beneficiaries reflects the following considerations:

- a. The expressions of their desires to be designated as beneficiaries;
- b. Their levels of economic development, including their per capita gross national products, their general living standards as measured by levels of health, nutrition, education, housing, and their degrees of industrialization;
- c. Whether or not other major developed countries are extending generalized preferential tariff treatment to them;
- d. The extent to which they have assured the United States that they will provide the United States with equitable and reasonable access to their markets;
- e. The legislative history of the Trade Act of 1974, including the Reports thereon by the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

The exclusionary provisions of the Trade Act would apply to some of the countries that are to be designated but for the factors described below:

#### *Cyprus*

The tariff preferences that Cyprus extends to the products of member countries of the European Economic Community ("E.E.C.") and the Commonwealth countries do not have, and are not likely to have, significant adverse effects upon United States commerce. Accordingly, the exclusionary provisions of section 502(b) (3) of the Trade Act do not apply to Cyprus.

#### *Israel*

I have received satisfactory assurances that Israel will take action prior to January 1, 1976 to assure that, although Israel affords prefer-

ential treatment to products of other developed countries (those of the E.E.C.), there will be no significant adverse effect on United States commerce resulting from such preferential treatment.

In particular, the Government of Israel has provided satisfactory assurances that, for specified U.S. exports to Israel worth some \$92 million (1974 data), Israel will reduce the applicable most-favored-nation (MFN) duty rates so as to eliminate, or in some cases virtually eliminate, the margin between such MFN rates and the preferential tariff rates being applied to the same products from E.E.C. countries. In addition, Israel will eliminate, at least during the life of the U.S. GSP, margins between the E.E.C. preferential tariff rates and the MFN rates whenever specified conditions are met for certain products. These products have been identified by the United States as important exports for which the U.S. and the E.E.C. countries are serious commercial competitors and for which tariff preferences, if applied, would be likely to affect adversely U.S. commercial interests. Israel will eliminate preferential tariff margins on these products whenever specific statistical criteria are met. Israel also will consult with the United States, at our request, concerning any other U.S. exports which may be affected adversely by its tariff preferences for products of E.E.C. countries.

For these reasons, Israel qualifies for the GSP under the terms of section 502(b) (3) of the Trade Act of 1974.

#### *Romania*

In view of (a) the U.S.-Romanian Trade Relations Agreement, signed on April 2, 1975, and entered into force on August 3, 1975, which granted non-discriminatory tariff treatment to Romanian products (b) Romania's status as a contracting party to the General Agreement on Tariffs and Trade and its membership in the International Monetary Fund, and (c) the repeated manifestation of Romanian determination to pursue an independent foreign policy, Romania, although a Communist country, fulfills the requirements for GSP eligibility set forth in section 502(b) (1) of the Trade Act.

#### *Somalia*

Somalia is now taking steps to discharge its obligations under international law with respect to an investment dispute which had the effect of a nationalization, expropriation, or other seizure of U.S. property by Somalia. My Determination to this effect is set forth at *Tab B*. This Determination makes Somalia eligible for GSP under the terms of section 502(b) (4) of the Trade Act.

#### *Turkey*

Turkey also is taking steps to discharge its obligations under the international law with respect to property questions in the Turkish-controlled area of Cyprus which could be considered as nationalizations, expropriations, or seizures of United States properties. My Determination at *Tab B* covers Turkey as well as Somalia, so that Turkey also is eligible for GSP under section 504(b) (4) of the Trade Act.

In addition, the tariff preferences that Turkey extends to the products of members of the E.E.C. do not have, and are not likely to have, significant adverse effects on United States commerce. This conclusion

depends upon the continuance by Turkey of certain key government decrees. The Government of Turkey understands the importance of the maintenance of those decrees to Turkey's continued eligibility for GSP, and has acknowledged the desirability of consulting with the United States before changing its customs tariffs in a manner prejudicial to its status as a beneficiary country.

*Hong Kong, Christmas Island (Australia), Cocos (Keeling) Islands*

None of the exclusionary provisions of section 502(b) are applicable to these areas.

In addition to the intended designations described above, Cape Verde, Mozambique, Papau New Guinea, Sao Tome and Principe, and Surinam are to be moved from the list of dependent beneficiaries to the list of independent beneficiary countries, because they have become independent since Executive Order 11844 was issued last March 24. Anguilla will be deleted from Executive Order 11844 as a separate listing, but will continue to be a designated GSP beneficiary as part of "Saint Christopher-Nevis-Anguilla". These changes will not affect the status of the areas involved as GSP beneficiaries.

Sincerely,

GERALD R. FORD.

## THE PRESIDENT

## EXECUTIVE ORDER 11844

## Designation of Beneficiary Developing Countries for the Generalized System of Preferences Under the Trade Act of 1974

Title V of the Trade Act of 1974, hereinafter referred to as the Act (Public Law 93-618, 88 Stat. 1978), provides for a Generalized System of Preferences by which eligible articles from a beneficiary developing country may be provided duty-free treatment.

The Act authorizes the President to designate a country as a beneficiary developing country if such country meets the qualifications of the Act. Prior thereto, the President is to notify the House of Representatives and the Senate of his intention to make such designations and of the considerations entering into such decisions. I have so notified the House of Representatives and the Senate with respect to the countries listed in this Executive order.

In order to implement the Generalized System of Preferences, the Trade Act requires (1) designation of beneficiary developing countries, (2) publication and transmission to the International Trade Commission of the lists of articles which will be considered for designation as eligible articles for purposes of generalized preferences, and (3) submission by the International Trade Commission of its advice to the President within six months as to the probable economic effect on domestic producers and consumers of implementing generalized preferences for those listed articles.

Concurrently with publication of those listed articles and transmission thereof to the International Trade Commission for its advice as required by the Act, I also intend to ask the Commission to provide its advice, pursuant to Section 332(g) of the Tariff Act of 1930, as amended (19 U.S.C. 1332), with respect to articles of those countries designated and those which are still under consideration for designation as beneficiary developing countries.

The President is authorized to modify at any time the list of beneficiary developing countries designated herein, and for that purpose there shall be a continuing review of the eligibility of countries to be so designated under the provisions of the Act.

NOW, THEREFORE, by virtue of the authority vested in me by the Trade Act of 1974, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. The following named countries are designated as beneficiary developing countries for purposes of the Generalized System of Preferences authorized by Title V of the Act:

(a) *Those Responsible for Their Own External Relations.*

Afghanistan  
Argentina  
Bahamas  
Bahrain

Bangladesh  
Barbados  
Bhutan  
Bolivia

Botswana  
Brazil  
Burma  
Burundi



Cameroon	Jamaica	Paraguay
Central African Republic	Jordan	Peru
Chad	Kenya	Philippines
Chile	Khmer Republic	Rwanda
Columbia	Korea, Republic of	Senegal
Congo (Brazzaville)	Laos	Sierra Leone
Costa Rica	Lebanon	Singapore
Dahomey	Lesotho	Sri Lanka
Dominican Republic	Liberia	Sudan
Egypt	Malagasy Republic	Swaziland
El Salvador	Malawi	Syria
Equatorial Guinea	Malaysia	Taiwan
Ethiopia	Maldives Islands	Tanzania
Fiji	Mali	Thailand
Gambia	Malta	Togo
Ghana	Mauritania	Tonga
Grenada	Mauritius	Trinidad and Tobago
Guatemala	Mexico	Tunisia
Guinea	Morocco	Upper Volta
Guinea Bissau	Nauru	Uruguay
Guyana	Nepal	Vietnam (South)
Haiti	Nicaragua	Western Samoa
Honduras	Niger	Yugoslavia
India	Oman	Yemen Arab Republic
Ivory Coast	Pakistan	Zaire
	Panama	Zambia

(b) *Those for Whom Another Country is Responsible for Their External Relations.*

Afars and Issas, French Territory of the	Mozambique
Angola	Netherlands Antilles
Anguilla	New Caledonia
Antigua	New Hebrides Condominium
Belize	Niue
Bermuda	Norfolk Island
British Indian Ocean Territory	Papua New Guinea
British Solomon Islands	Pitcairn Island
Brunei	Portuguese Timor
Cape Verde	Saint Christopher - Nevis - Anguilla
Cayman Islands	Saint Helena
Comoro Islands	Saint Lucia
Cook Islands	Saint Vincent
Dominica	Sao Tome and Principe
Falkland Islands (Malvinas) and Dependencies	Seychelles
French Polynesia	Spanish Sahara
Gibraltar	Surinam
Gilbert and Ellice Islands	Tokelau Islands
Heard Island and McDonald Islands	Trust Territory of the Pacific Islands
Macao	Turks and Caicos Islands
Montserrat	Virgin Islands, British
	Wallis and Futuna Islands

SEC. 2. The following named countries are identified as under consideration for designation as beneficiary developing countries in accordance with the criteria set forth in Title V of the Act:

Algeria	Yemen, Peoples' Democratic Republic of
Cyprus	Portugal
Ecuador	Romania
Gabon	Qatar
Greece	Saudi Arabia
Hong Kong	Somalia
Indonesia	Spain
Iran	Turkey
Iraq	Uganda
Israel	United Arab Emirates
Kuwait	Venezuela
Libya	
Nigeria	

GERALD R. FORD.

THE WHITE HOUSE, *March 24, 1975.*

[FR Doc.75-8080 Filed 3-24-75 ;4 :12 pm]

THE WHITE HOUSE.

*Washington, November 10, 1975.*

Presidential Determination

No. —

Memorandum for the Secretary of State.

Subject: Determination under section 502(b) of the Trade Act of 1974.

I have reviewed information prepared for me by the appropriate Executive agencies concerning separate investment disputes between Somalia and United States claimants, and Turkey and United States claimants, which could be considered as nationalizations, expropriations, or seizures within the meaning of section 502(b) (4) of the Trade Act of 1974 (P.L. 93-618, 88 Stat. 1978, hereinafter referred to as the "Act"). On the basis of that information, I hereby determine that Somalia and Turkey are taking steps to discharge their obligations under international law, as prescribed by section 502(b) (4) of the Act.

In accordance with section 502(b) (4) of the Act I am furnishing a copy of this Determination to the Senate and to the House of Representatives.

This Determination shall be published in the FEDERAL REGISTER.

GERALD R. FORD.

**GATT WAIVER**  
**GENERALIZED SYSTEM OF PREFERENCES**  
*Decision of 25 June 1971<sup>1</sup>*

The CONTRACTING PARTIES to the General Agreement on Tariffs and Trade,

RECOGNIZING that a principal aim of the CONTRACTING PARTIES is promotion of the trade and export earnings of developing countries for the furtherance of their economic development;

RECOGNIZING further that individual and joint action is essential to further the development of the economies of developing countries;

RECALLING that at the Second UNCTAD, unanimous agreement was reached in favour of the early establishment of a mutually acceptable system of generalized, nonreciprocal and non-discriminatory preferences beneficial to the developing countries in order to increase the export earnings, to promote the industrialization, and to accelerate the rates of economic growth of these countries;

CONSIDERING that mutually acceptable arrangements have been drawn up in the UNCTAD concerning the establishment of generalized, non-discriminatory, non-reciprocal preferential tariff treatment in the markets of developed countries for products originating in developing countries;

NOTING the statement of developed contracting parties that the grant of tariff preferences does not constitute a binding commitment and that they are temporary in nature;

RECOGNIZING fully that the proposed preferential arrangements do not constitute an impediment to the reduction of tariffs on a most-favoured-nation basis,

DECIDE:

(a) that without prejudice to any other Article of the General Agreement, the provisions of Article I shall be waived for a period of ten years to the extent necessary to permit developed contracting parties, subject to the procedures set out hereunder, to accord preferential tariff treatment to products originating in developing countries and territories with a view to extending to such countries and territories generally the preferential tariff treatment referred to in the Preamble to this Decision, without according such treatment to like products of other contracting parties

PROVIDED THAT any such preferential tariff arrangements shall be designed to facilitate trade from developing countries and territories and not to raise barriers to the trade of other contracting parties;

(b) that they will, without duplicating the work of other international organizations, keep under review the operation of this Decision

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<sup>1</sup> The Decision was adopted by postal ballot. There were 48 votes in favour and none against.

and decide, before its expiry and in the light of the considerations outlined in the Preamble, whether the Decision should be renewed and if so, what its terms should be;

(c) that any contracting party which introduces a preferential tariff arrangement under the terms of the present Decision or later modifies such arrangement, shall notify the CONTRACTING PARTIES and furnish them with all useful information relating to the actions taken pursuant to the present Decision;

(d) that such contracting party shall afford adequate opportunity for consultations at the request of any other contracting party which considers that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of the preferential arrangement;

(e) that any contracting party which considers that the arrangement or its later extension is not consistent with the present Decision or that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of the arrangement or its subsequent extension and that consultations have proved unsatisfactory, may bring the matter before the CONTRACTING PARTIES which will examine it promptly and will formulate any recommendations that they judge appropriate.

